
FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended:

June 30, 2006

or

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from: _____ to _____

Commission file number: 1-10686

MANPOWER INC.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

39-1672779
(IRS Employer
Identification No.)

5301 N. Ironwood Road
Milwaukee, Wisconsin
(Address of principal executive offices)

53217
(Zip Code)

Registrant's telephone number, including area code: (414) 961-1000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock, \$.01 par value

Shares Outstanding
at July 28, 2006
86,647,182

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PART I - FINANCIAL INFORMATIONItem 1 – Financial Statements (unaudited)**MANPOWER INC. AND SUBSIDIARIES****Consolidated Balance Sheets (Unaudited)
(in millions)****ASSETS**

	<u>June 30, 2006</u>	<u>December 31, 2005</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 768.1	\$ 454.9
Accounts receivable, less allowance for doubtful accounts of \$98.6 and \$86.5, respectively	3,610.8	3,208.2
Prepaid expenses and other assets	109.6	107.5
Future income tax benefits	94.8	71.1
Total current assets	<u>4,583.3</u>	<u>3,841.7</u>
OTHER ASSETS:		
Goodwill	953.1	923.9
Intangible assets, less accumulated amortization of \$36.5 and \$29.8, respectively	328.0	332.6
Other assets	334.2	273.8
Total other assets	<u>1,615.3</u>	<u>1,530.3</u>
PROPERTY AND EQUIPMENT:		
Land, buildings, leasehold improvements and equipment	687.0	642.4
Less: accumulated depreciation and amortization	<u>485.4</u>	<u>446.0</u>
Net property and equipment	201.6	196.4
Total assets	<u>\$6,400.2</u>	<u>\$ 5,568.4</u>

The accompanying notes to consolidated financial statements
are an integral part of these balance sheets.

MANPOWER INC. AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)
(in millions, except share and per share data)

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>June 30,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 898.0	\$ 685.4
Employee compensation payable	151.7	150.6
Accrued liabilities	559.0	435.4
Accrued payroll taxes and insurance	603.8	607.2
Value added taxes payable	480.6	441.9
Short-term borrowings and current maturities of long-term debt	281.3	260.0
Total current liabilities	<u>2,974.4</u>	<u>2,580.5</u>
OTHER LIABILITIES:		
Long-term debt	766.3	475.0
Other long-term liabilities	390.6	366.3
Total other liabilities	<u>1,156.9</u>	<u>841.3</u>
SHAREHOLDERS' EQUITY:		
Preferred stock, \$.01 par value, authorized 25,000,000 shares, none issued	—	—
Common stock, \$.01 par value, authorized 125,000,000 shares, issued 102,203,430 and 101,239,813 shares, respectively	1.0	1.0
Capital in excess of par value	2,389.5	2,346.7
Retained earnings	379.2	269.9
Accumulated other comprehensive income (loss)	68.8	(11.0)
Treasury stock at cost, 15,570,967 and 13,867,805 shares, respectively	(569.6)	(460.0)
Total shareholders' equity	<u>2,268.9</u>	<u>2,146.6</u>
Total liabilities and shareholders' equity	<u>\$6,400.2</u>	<u>\$ 5,568.4</u>

The accompanying notes to consolidated financial statements
are an integral part of these balance sheets.

MANPOWER INC. AND SUBSIDIARIES
Consolidated Statements of Operations (Unaudited)
(in millions, except per share data)

	3 Months Ended June 30,		6 Months Ended June 30,	
	2006	2005	2006	2005
Revenues from services	\$4,440.0	\$4,053.7	\$8,369.9	\$7,812.4
Cost of services	3,623.6	3,314.5	6,836.1	6,391.2
Gross profit	816.4	739.2	1,533.8	1,421.2
Selling and administrative expenses	677.3	629.5	1,335.0	1,249.0
Operating profit	139.1	109.7	198.8	172.2
Interest and other (income) expense	12.5	11.3	(3.8)	23.0
Earnings before income taxes	126.6	98.4	202.6	149.2
Provision for income taxes	46.2	35.9	69.6	54.5
Net earnings	\$ 80.4	\$ 62.5	\$ 133.0	\$ 94.7
Net earnings per share	\$ 0.92	\$.71	\$ 1.52	\$ 1.06
Net earnings per share – diluted	\$ 0.91	\$.70	\$ 1.50	\$ 1.03
Weighted average common shares	87.3	88.6	87.3	89.2
Weighted average common shares – diluted	88.7	89.5	88.8	93.2

The accompanying notes to consolidated financial statements
are an integral part of these statements.

MANPOWER INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
(in millions)

	6 Months Ended June 30,	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 133.0	\$ 94.7
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	43.8	45.5
Amortization of discount on convertible debentures	—	1.9
Deferred income taxes	(25.3)	(6.8)
Provision for doubtful accounts	11.8	8.2
Stock based compensation	10.2	0.8
Excess tax benefit on exercise of stock options	(1.6)	—
Other non-operating gains	(29.3)	—
Changes in operating assets and liabilities, excluding the impact of acquisitions:		
Accounts receivable	(216.4)	(140.9)
Other assets	18.1	(23.9)
Other liabilities	191.3	119.7
Cash provided by operating activities	<u>135.6</u>	<u>99.2</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(34.8)	(36.1)
Acquisitions of businesses, net of cash acquired	(7.2)	(3.1)
Proceeds from sale of business	29.6	—
Proceeds from the sale of an equity interest	8.8	—
Proceeds from the sale of property and equipment	3.1	3.1
Cash used by investing activities	<u>(0.5)</u>	<u>(36.1)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in short-term borrowings	1.7	1.6
Proceeds from long-term debt	251.2	716.7
Repayments of long-term debt	(2.1)	(544.1)
Cash paid to settle convertible debentures	—	(206.6)
Proceeds from settlement of swap agreements	—	50.7
Proceeds from stock option and purchase plans	40.6	8.4
Excess tax benefit on exercise of stock options	1.6	—
Repurchases of common stock	(119.1)	(203.5)
Dividends paid	(23.7)	(17.6)
Cash provided (used) by financing activities	<u>150.2</u>	<u>(194.4)</u>
Effect of exchange rate changes on cash	27.9	(37.2)
Net increase (decrease) in cash and cash equivalents	313.2	(168.5)
Cash and cash equivalents, beginning of year	454.9	531.8
Cash and cash equivalents, end of period	<u>\$ 768.1</u>	<u>\$ 363.3</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 24.5</u>	<u>\$ 23.2</u>
Income taxes paid	<u>\$ 35.3</u>	<u>\$ 37.9</u>

The accompanying notes to consolidated financial statements
are an integral part of these statements.

MANPOWER INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)
For the Six Months Ended June 30, 2006 and 2005
(in millions, except share and per share data)

(1) Basis of Presentation and Accounting Policies

Basis of Presentation

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although we believe that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the consolidated financial statements included in our 2005 Annual Report to Shareholders.

The information furnished reflects all adjustments that, in the opinion of management, are necessary for a fair statement of the results of operations for the periods presented. Such adjustments are of a normal recurring nature.

Reorganization Costs

In the first quarter of 2006, we recorded expenses totaling \$9.5 in the United Kingdom and \$1.2 at Right Management for severances and other office closure costs related to reorganizations at these entities. Of the \$9.5 in the United Kingdom, \$3.0 was paid during the six months ended June 30, 2006, and a majority of the remaining \$6.5 will be paid before the end of 2006. All of the reorganization costs at Right Management were paid during the three months ended March 31, 2006.

In 2005, we recorded total expenses of \$15.3 in France and \$4.0 at Right Management for severance costs related to reorganizations in both segments. As of June 30, 2006, \$5.1 has been paid from the France reserve, \$3.8 of which was paid in the six months ended June 30, 2006. The remaining \$10.2 is expected to be paid in 2006. The full \$4.0 recorded at Right Management was paid in 2005.

(2) Stock Compensation Plans

Effective January 1, 2006, we adopted Statement of Financial Accounting Standards SFAS No. 123(R) "Share-Based Payments" ("SFAS 123R"), using the modified prospective application transition method. The modified prospective application transition method requires compensation cost to be recognized beginning on the effective date (a) based on the requirements of SFAS 123R for all share-based payments granted after the effective date and (b) based on the requirements of SFAS 123 for all awards granted to employees prior to the effective date of SFAS 123R that remain unvested on the effective date. As such, prior periods will not reflect restated amounts. Prior to January 1, 2006, we accounted for all of our fixed stock option plans and our 1990 Employee Stock Purchase Plan in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. No stock-based employee compensation expense related to stock options or our stock purchase plans was reflected in Net Earnings prior to January 1, 2006. SFAS 123R requires us to report the tax benefit from the tax deduction that is in excess of recognized compensation costs (excess tax benefits) as a financing cash flow. Prior to January 1, 2006, we reported the entire tax benefit related to the exercise of stock options as an operating cash flow.

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During the three and six months ended June 30, 2006, we recognized approximately \$5.6 and \$10.2 respectively, in share-based compensation expense related to stock options, deferred stock, restricted stock, and an employee stock purchase plans. Cash received from stock option exercises for the same periods was \$14.1 and \$40.6, respectively. The total income tax benefit recognized related to share-based compensation, which is recorded in Capital in excess of par value, was approximately \$1.1 and \$1.6 for the same three and six month periods. We recognize compensation expense on grants of share-based compensation awards on a straight-line basis over the service period of each award recipient.

As a result of adopting SFAS 123R, Operating Profit and Earnings Before Income Taxes decreased by \$4.1 and \$7.5 for the three and six months ended June 30, 2006, respectively. Net Earnings decreased by \$2.6 and \$4.8, or \$0.03 and \$0.06 per basic and diluted share for the same periods as a result of the expense recorded related to our stock option grants and our employee stock purchase plan. The following table illustrates the effect on Net Earnings and Net Earnings Per Share had we applied the fair value recognition provisions of SFAS 123R to stock-based employee compensation for periods prior to its adoption:

	<u>3 Months Ended</u> <u>June 30, 2005</u>	<u>6 Months Ended</u> <u>June 30, 2005</u>
Net earnings, as reported	\$ 62.5	\$ 94.7
Add: Total stock-based employee compensation expense under APB No. 25, net of related tax effects ⁽¹⁾	0.4	0.8
Less: Total stock-based employee compensation expense determined under the fair value method for all awards, net of related tax effects	(3.6)	(6.2)
Pro forma net earnings	59.3	89.3
Add: Amortization of discount on convertible debentures, net of taxes	—	1.2
Pro forma net earnings – diluted	<u>\$ 59.3</u>	<u>\$ 90.5</u>
Net earnings per share:		
As reported	\$ 0.71	\$ 1.06
Pro forma	\$ 0.68	\$ 1.01
Net earnings per share – diluted:		
As reported	\$ 0.70	\$ 1.03
Pro forma	\$ 0.67	\$ 0.98

⁽¹⁾ The above stock-based employee compensation expense is related to restricted stock and deferred stock.

Stock Options

All stock-based compensation is currently granted under our 2003 Equity Incentive Plan of Manpower Inc. (“2003 Plan”). Options and stock appreciation rights are granted at a price not less than 100% of the fair market value of the common stock at the date of grant. Generally, options are granted with a vesting period of up to four years and expire ten years from date of grant. As of June 30, 2006, no stock appreciation rights had been granted or were outstanding.

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We also maintain the Savings Related Share Option Scheme for United Kingdom employees with at least one year of service. The employees are offered the opportunity to obtain an option for a specified number of shares of common stock at not less than 85% of its market value on the day prior to the offer to participate in the plan. Options vest after either three, five or seven years, but may lapse earlier. Funds used to purchase the shares are accumulated through specified payroll deductions over a 60-month period.

A summary of stock option activity during the six months ended June 30, 2006 is as follows:

	Shares (in thousands)	Wtd. Avg. Exercise Price Per Share	Wtd. Avg. Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, January 1, 2006	5,421	\$ 36.2		
Granted	1,002	52.3		
Exercised	1,102	32.7		\$ 26.5
Forfeited or expired	117	41.3		
Outstanding, June 30, 2006	5,204	\$ 40.0	7.2	\$ 128.2
Exercisable, June 30, 2006	2,496	\$ 34.2	5.9	\$ 75.9

We have recognized expenses of \$3.6 and \$6.8 related to stock options for the three and six months ended June 30, 2006, respectively. The total fair value of options vested during the same periods was \$0.5 and \$15.2, respectively. As of June 30, 2006, total unrecognized compensation cost was approximately \$31.4, net of estimated forfeitures, which we expect to recognize over a weighted-average period of approximately 2.5 years.

We estimated the fair value of each stock option on the date of grant using the Black-Scholes pricing model and the following assumptions:

	6 Months Ended June 30,	
	2006	2005
Average risk-free interest rate	4.7%	3.8%
Expected dividend yield	1.1%	0.9%
Expected volatility	30.0%	30.0%
Expected term (years)	5.0	4.7

The average risk-free interest rate is based on the five-year U.S. Treasury security rate in effect as of the grant date. The expected dividend yield is based on the expected annual dividend as a percentage of the market value of our common stock as of the grant date. We determined expected volatility using a weighted average of daily historical volatility (weighted 40 percent) of our stock price over the past five years and implied volatility (weighted 60 percent) based upon exchange traded options for our common stock. We believe that a blend of historical volatility and implied volatility better reflects future market conditions and better indicates expected volatility than considering purely historical volatility. We determined the expected term of the stock options using historical data. The weighted-average fair value of options granted was \$16.26 and \$12.92 for the six months ended June 30, 2006 and 2005, respectively.

Deferred Stock

Our non-employee directors may elect to receive deferred stock in lieu of part or all of their annual cash retainer otherwise payable to them. The number of shares of deferred stock is determined pursuant to a formula set forth in the terms and conditions adopted under the 2003 Plan and the deferred stock is settled in shares of common stock according to the terms and conditions under the 2003 Plan. As of June 30, 2006, there were 6,794 shares of deferred stock awarded under this arrangement, all of which are vested.

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Effective January 1, 2006, non-employee directors also receive an annual grant of deferred stock (or restricted stock, if they so elect) as additional compensation for board service. The award vests in equal quarterly installments and the vested portion of the deferred stock is settled in shares of common stock after three years (which may be extended at the directors' election) in accordance with the terms and conditions under the 2003 Plan. As of June 30, 2006, there were 17,612 shares of deferred stock and 7,548 shares of restricted stock granted under this arrangement, of which 6,451 shares of deferred stock and 3,226 shares of restricted stock are unvested. We have recognized expenses of \$0.2 and \$0.4 related to deferred stock during the three and six months ended June 30, 2006, respectively. The remaining \$0.4 of unrecognized compensation expense related to the unvested deferred stock will be recorded in 2006.

Restricted Stock

We also grant restricted stock awards to certain employees and non-employee directors may elect to receive restricted stock rather than deferred stock as mentioned earlier. Restrictions lapse over periods ranging up to six years. We value restricted stock awards at the closing market value of our common stock on the date of grant.

A summary of restricted stock activity for the six months ended June 30, 2006 is as follows:

	<u>Shares (in thousands)</u>	<u>Wtd. Avg. Price Per Share</u>	<u>Wtd. Avg. Remaining Contractual Term (years)</u>	<u>Aggregate Intrinsic Value</u>
Unvested, January 1, 2006	202	\$ 41.13		
Granted	53	52.08		
Vested	38	35.84		
Forfeited	—	—		
Unvested, June 30, 2006	<u>217</u>	<u>\$ 44.76</u>	<u>3.1</u>	<u>\$ 4.3</u>

We have recognized expense of \$0.7 and \$1.2 for vested restricted stock for the three and six months ended June 30, 2006, respectively. As of June 30, 2006, there was approximately \$7.2 of total unrecognized compensation cost related to unvested restricted stock, which we expect to recognize over a weighted-average period of approximately 3.8 years.

Performance Share Units

In 2005, we amended our 2003 Plan to permit the grant of performance share units. Vesting of units occurs at the end of the performance period, generally three years, except in the case of death, disability or termination of employment. A payout multiple is applied to the units awarded based on the performance criteria determined by the Executive Compensation Committee of the Board of Directors. The performance criteria for performance share units granted in February 2006 was average Operating Profit Margin. The units are then settled in shares of our common stock. Holders of performance share units do not receive dividends during the performance period. Accordingly, the fair value of these units is the quoted market value of our stock on the date of the grant.

The Target Awards for the 2006-2008 performance period are based on average Operating Profit Margin growth over the performance period. In the event this measure exceeds the target, an additional number of shares up to 175% of the Target Award may be granted. In the event this measure falls below the target performance level, a reduced number of shares as few as the Threshold Award, which is equal to 25% of the Target Award, may be granted. If Operating Profit Margin falls below the threshold performance level, no shares will be granted.

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The following table summarizes the performance share unit activity for the six months ended June 30, 2006:

	<u>Share Units</u>
Outstanding, January 1, 2006	
Granted	120,500
Vested	—
Forfeited	—
Outstanding, June 30, 2006	<u>120,500</u>
Threshold Award	30,125
Target Award	120,500
Outstanding Award	210,875

We recognize compensation expense when it becomes probable that the performance criteria specified in the award will be achieved. The compensation expense is recognized over the performance period and is recorded in Selling and Administrative Expenses. We currently believe the target performance criteria for the 2006-2008 performance period will likely be achieved; accordingly, we recognized compensation expense of \$0.6 and \$1.1 related to this performance period during the three and six months ended June 30, 2006, respectively.

Other Stock Plans

Under the 1990 Employee Stock Purchase Plan, designated employees meeting certain service requirements may purchase shares of our common stock through payroll deductions. These shares may be purchased at the lesser of 85% of their fair market value at the beginning or end of each year.

The fair value of each share purchased under the plan is estimated using the Black-Scholes option-pricing model and the following weighted-average assumptions:

	<u>6 Months Ended</u> <u>June 30,</u>	
	<u>2006</u>	<u>2005</u>
Average risk-free interest rate	4.4%	2.8%
Expected dividend yield	1.1%	0.9%
Expected volatility	30.0%	30.0%
Expected term (years)	1.0	1.0

These assumptions are determined using the same methodology used in determining the assumptions used in calculating the fair value of our stock options.

We have recognized expenses of \$0.4 and \$0.7 for shares expected to be purchased under the plan for the three and six months ended June 30, 2006, respectively. There is approximately \$0.7 of unrecognized compensation cost related to the plan, which will be recognized in 2006.

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(3) [Acquisitions and Dispositions](#)

From time to time, we acquire and invest in companies throughout the world, including franchises. The total cash consideration paid for acquisitions in the first half of 2006 was \$7.2.

On January 31, 2006, following approval from the Swedish Competition Authorities, we sold a non-core payroll processing business in Sweden. A pre-tax gain of \$29.3 (\$23.7 after tax, or \$0.27 per share – diluted) related to this sale was recorded in the first quarter of 2006. Net proceeds from this transaction were \$29.6.

In December 2005, we sold one of our available-for-sale investments for a gain of \$2.6. Proceeds from this transaction of \$8.8 were received in the first quarter of 2006.

In connection with the acquisition of Right Management in 2004, we established reserves for severance and other office lease closure costs related to streamlining Right Management's worldwide operations totaling \$24.5. As of June 30, 2006, approximately \$21.3 has been paid from these reserves, of which \$1.9 was paid in 2006.

(4) [Income Taxes](#)

We provided for income taxes during the first half of 2006 at a rate of 34.4%. This rate includes the impact of certain discrete items in the first quarter of 2006, including the reorganization charges, the gain on sale of a business in Sweden and costs related to our global cost reduction project. Excluding the impact of these items, we provided for income taxes at a rate of 36.5%. Our current estimate of the annual effective tax rate, excluding the discrete items is 36.5%. Including these items, we estimate our annual effective tax rate will be 35.5%. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates and U.S. taxes on foreign earnings, and U.S. state income taxes.

(5) [Earnings Per Share](#)

The calculations of Net Earnings Per Share and Net Earnings Per Share – Diluted are as follows:

	3 Months Ended June 30,		6 Months Ended June 30,	
	2006	2005	2006	2005
Net Earnings Per Share:				
Net earnings available to common shareholders	\$ 80.4	\$ 62.5	\$ 133.0	\$ 94.7
Weighted average common shares outstanding (in millions)	87.3	88.6	87.3	89.2
	<u>\$ 0.92</u>	<u>\$ 0.71</u>	<u>\$ 1.52</u>	<u>\$ 1.06</u>
Net Earnings Per Share – Diluted:				
Net earnings	\$ 80.4	\$ 62.5	\$ 133.0	\$ 94.7
Add: Amortization related to convertible debt, net of taxes	—	—	—	1.2
Net earnings available to common shareholders	<u>\$ 80.4</u>	<u>\$ 62.5</u>	<u>\$ 133.0</u>	<u>\$ 95.9</u>
Weighted average common shares outstanding (in millions)	87.3	88.6	87.3	89.2
Effect of restricted stock	0.1	0.2	0.1	0.2
Effect of dilutive stock options	1.3	0.7	1.4	0.8
Effect of convertible debentures	—	—	—	3.0
	<u>88.7</u>	<u>89.5</u>	<u>88.8</u>	<u>93.2</u>
	<u>\$ 0.91</u>	<u>\$ 0.70</u>	<u>\$ 1.50</u>	<u>\$ 1.03</u>

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The calculation of Net Earnings Per Share – Diluted for the three and six months ended June 30, 2005 does not include options to purchase 2,200,000 and 1,300,000, respectively, because the exercise price for these options is greater than the average market price of the common shares during the period. There were no options excluded from the calculation for the three months and six months ended June 30, 2006.

(6) Debt

On June 14, 2006, we offered and sold €200.0 aggregate principal amount of 4.75% notes due June 14, 2013 (the “€200.0 Notes”). The net proceeds of €198.1 million (\$249.5) are currently invested in cash equivalents until July 2006 when they will be used to repay our € 200.0 notes due July 2006. The €200.0 Notes were issued at a price of 99.349% to yield an effective interest rate of 4.862%. The discount of €1.3 (\$1.6) will be amortized to interest expense over the term of the €200.0 Notes. Interest is payable annually on June 14 beginning in 2007. The €200.0 Notes are unsecured senior obligations and rank equally with all of our existing and future senior unsecured debt and other liabilities. We may redeem the €200.0 Notes, in whole but not in part, at our option at any time for a redemption price as defined in the agreement. The €200.0 Notes also contain certain customary restrictive covenants and events of default.

(7) Accounts Receivable Securitization

In July 2006, we amended our \$200.0 Receivables Facility extending its maturity to July 2007 and reducing the fees for the facility. All other terms remain substantially unchanged. There were no borrowings outstanding under this facility as of June 30, 2006 or December 31, 2005.

(8) Retirement Plans

The components of the net periodic benefit cost for our plans are as follows:

	Defined Benefit Pension Plans			
	3 Months Ended		6 Months Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Service cost	\$ 3.0	\$ 2.8	\$ 5.9	\$ 5.7
Interest cost	3.4	3.1	6.7	6.2
Expected return on assets	(2.8)	(2.5)	(5.5)	(5.0)
Amortization of unrecognized loss	1.1	0.7	2.2	1.5
Total benefit cost	<u>\$ 4.7</u>	<u>\$ 4.1</u>	<u>\$ 9.3</u>	<u>\$ 8.4</u>

	Retiree Health Care Plan			
	3 Months Ended		6 Months Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Service cost	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Interest cost	0.3	0.3	0.6	0.7
Amortization of unrecognized gain	(0.1)	(0.1)	(0.3)	(0.2)
Total benefit cost	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 0.5</u>	<u>\$ 0.7</u>

For the three and six months ended June 30, 2006 contributions made to our pension plans were \$4.7 and \$9.3, respectively. For the three and six months ended June 30, 2006 contributions made to our retiree health care plan were \$0.3 and \$0.5, respectively. We continue to expect total contributions of \$15.6 to our pension plans and \$1.2 to our retiree health care plan during 2006.

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(9) Shareholders' Equity

The components of Comprehensive Income, net of tax, are as follows:

	3 Months Ended June 30,		6 Months Ended June 30,	
	2006	2005	2006	2005
Net earnings	\$ 80.4	\$ 62.5	\$ 133.0	\$ 94.7
Other comprehensive income:				
Foreign currency translation income (loss)	72.6	(46.4)	77.8	(80.1)
Unrealized (loss) gain on investments	(1.7)	0.7	(0.6)	2.2
Unrealized gain (loss) on derivatives	0.9	(0.9)	2.6	(0.1)
Comprehensive income	<u>\$ 152.2</u>	<u>\$ 15.9</u>	<u>\$ 212.8</u>	<u>\$ 16.7</u>

The components of Accumulated Other Comprehensive Income (Loss), net of tax, are as follows:

	June 30, 2006	December 31, 2005
Foreign currency translation gain	\$ 93.6	\$ 15.8
Unrealized gain on investments	6.3	6.9
Unrealized loss on derivatives	(5.8)	(8.4)
Minimum pension liability adjustment	(25.3)	(25.3)
Accumulated comprehensive income (loss)	<u>\$ 68.8</u>	<u>\$ (11.0)</u>

During the three and six months ended June 30, 2006, we repurchased a total of 1,357,700 and 1,970,300 shares of common stock, respectively, for a total cost of \$86.1 and \$119.1, respectively. Including repurchases in 2005, a total of 2,270,300 shares of common stock at a total cost of \$133.2 have been repurchased under our 2005 authorization which allows for five million shares to be repurchased at a total purchase price not to exceed \$250.0. Therefore, we may repurchase up to 2,729,700 shares of common stock at a purchase price up to \$116.8.

Subsequent to June 30, 2006, 851,200 additional shares have been repurchased, through August 1, 2006, at a total cost of \$49.9.

On April 25, 2006, the Board of Directors declared a cash dividend of \$0.27 per share, which was paid on June 14, 2006 to shareholders of record on June 5, 2006.

(10) Interest and Other (Income) Expense

Interest and Other Expenses consists of the following:

	3 Months Ended June 30,		6 Months Ended June 30,	
	2006	2005	2006	2005
Interest expense	\$ 13.1	\$ 10.7	\$ 24.7	\$ 22.3
Interest income	(3.8)	(2.1)	(7.1)	(4.4)
Foreign exchange loss (gain)	1.3	(0.6)	2.2	0.2
Miscellaneous expense (income), net	1.9	3.3	(23.6)	4.9
Interest and other (income) expense	<u>\$ 12.5</u>	<u>\$ 11.3</u>	<u>\$ (3.8)</u>	<u>\$ 23.0</u>

Miscellaneous Income for the six months ended June 30, 2006 includes a non-operating gain of \$29.3 (\$23.7 after tax, \$0.27 per share – diluted), primarily related to the sale of a non-core payroll processing business in Sweden. Net proceeds from this transaction were \$29.6.

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(11) Segment Data

	3 Months Ended June 30,		6 Months Ended June 30,	
	2006	2005	2006	2005
Revenues from Services: (a)				
United States (b)	\$ 534.6	\$ 506.7	\$1,044.9	\$ 982.6
France	1,535.6	1,397.0	2,776.1	2,635.0
EMEA	1,590.1	1,430.4	3,023.0	2,773.0
Jefferson Wells	98.8	93.5	194.3	186.2
Right Management	103.9	108.5	199.9	212.5
Other Operations	577.0	517.6	1,131.7	1,023.1
Consolidated (b)	<u>\$4,440.0</u>	<u>\$4,053.7</u>	<u>\$8,369.9</u>	<u>\$7,812.4</u>
Operating Unit Profit: (a)				
United States	\$ 22.5	\$ 18.0	\$ 32.0	\$ 22.9
France	49.7	42.0	80.1	70.4
EMEA	51.7	37.9	74.1	52.0
Jefferson Wells	10.0	9.3	15.7	17.4
Right Management	11.1	9.3	15.4	19.1
Other Operations	14.8	13.2	32.7	25.7
Consolidated	159.8	129.7	250.0	207.5
Corporate expenses	17.4	16.7	44.7	28.8
Amortization of other intangible assets	3.3	3.3	6.5	6.5
Interest and other expense	12.5	11.3	(3.8)	23.0
Earnings before income taxes	<u>\$ 126.6</u>	<u>\$ 98.4</u>	<u>\$ 202.6</u>	<u>\$ 149.2</u>

- (a) Certain Eastern European countries previously reported in France are now reported in EMEA due to a change in management structure. All previously reported results for France and EMEA have been restated to conform to the current year presentation. For the three and six months ended June 30, 2005 there was \$11.3 and \$20.8 of Revenues from Services and \$(0.5) and \$(1.4) of Operating Unit Profit previously reported in France now reported in EMEA related to this change.
- (b) In the United States, where a majority of our franchises operate, Revenues from Services include fees received from franchise offices of \$6.0 and \$6.3 for the three months ended June 30, 2006 and 2005, respectively, and \$11.3 and \$11.7 for the six months ended June 30, 2006 and 2005, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$291.9 and \$296.8 for the three months ended June 30, 2006 and 2005, respectively, and \$574.2 and \$574.4 for the six months ended June 30, 2006 and 2005, respectively.

Our consolidated Revenues from Services include fees received from our franchise offices of \$8.8 for the three months ended June 30, 2006 and 2005, and \$16.8 and \$17.1 for the six months ended June 30, 2006 and 2005, respectively. These fees are primarily based on revenues generated by the franchise offices, which were \$388.8 and \$375.7 for the three months ended June 30, 2006 and 2005, respectively, and \$751.6 and \$725.5 for the six months ended June 30, 2006 and 2005, respectively.

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Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

Operating Results - Three Months Ended June 30, 2006 and 2005

Revenues from Services increased 9.5% to \$4,440.0 million for the second quarter of 2006 from the same period in 2005. Revenues were negatively impacted by changes in foreign currency exchange rates during the period due to the strengthening of the U.S. Dollar relative to the currencies in most of our non-U.S. markets. In constant currency, revenues increased 10.0%. This growth rate is a result of increased demand for our services in most of our markets, including the United States, France, EMEA, Jefferson Wells and Other Operations, where revenues increased 5.5%, 9.8%, 11.6%, 5.7% and 14.2%, respectively, on a constant currency basis. We also saw solid growth in our permanent recruitment business which increased 38.4% on a consolidated basis in constant currency. (See Financial Measures on pages 21 and 22 for further information on constant currency.)

Gross Profit increased 10.4% to \$816.4 million for the second quarter of 2006. In constant currency, Gross Profit increased 10.9%. Gross Profit Margin was 18.4%, an increase of 0.15% from the second quarter of 2005. The increase in Gross Profit Margin is primarily a result of the increase in permanent recruitment fees (+0.27%) as well as an increase in gross profit margin in the temporary recruitment business (+0.19%) as we see improved pricing discipline in many markets, including France, and as we see improved margins in other markets as a result of lower direct costs (such as workers’ compensation and state unemployment taxes in the U.S.). This improvement is partially offset by a change in the mix of services provided (-0.31%), primarily due to a lower amount of revenues coming from Right Management where the gross profit margin is generally higher than the company average.

Selling and Administrative Expenses increased 7.6% from the second quarter of 2005, to \$677.3 million in the second quarter of 2006. These expenses increased 8.1% in constant currency. This increase is primarily in response to the increase in business volumes, as well as expensing the value of stock options for the first time in 2006 (\$4.1 million). As a percent of revenues, Selling and Administrative Expenses were 15.3% in the second quarter of 2006 compared to 15.5% in the second quarter of 2005, which reflects the favorable impact of our cost control efforts, and productivity gains, as we have been able to increase the billable hours from our staffing business without a similar increase in branch headcount, offset by continued investments in certain markets.

Operating Profit increased 26.9% for the second quarter of 2006 compared to 2005, with an Operating Profit Margin of 3.1% in 2006 compared to 2.7% in 2005. This improvement reflects the increased Gross Profit Margin and the favorable impact of our cost control efforts and productivity gains.

Interest and Other (Income) Expense was expense of \$12.5 million in the second quarter of 2006 compared to expense of \$11.3 million for the same period in 2005. Net Interest Expense increased \$0.7 million in the quarter to \$9.3, as the increase in interest expense, due to higher borrowing levels, exceeded the increase in interest income. Translation losses in the second quarter of 2006 were \$1.3 million compared to gains of \$0.6 million in the second quarter of 2005. Miscellaneous expense, net, which consists of bank fees and other non-operating income and expenses, was \$1.9 million of expense in the second quarter of 2006 compared to \$3.3 million of expense in the second quarter of 2005.

We provided for income taxes during the second quarter of 2006 at a rate of 36.5% based on our current estimate of the annual effective tax rate excluding the discrete items in the first quarter. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates and U.S. taxes on foreign earnings, and U.S. state income taxes.

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Net Earnings Per Share – Diluted increased 30.0% to \$0.91 in the second quarter of 2006 compared to \$0.70 in the second quarter of 2005. Changes in foreign currency exchange rates had minimal impact on Net Earnings Per Share – Diluted in the second quarter of 2006. Weighted-Average Shares – Diluted were 88.7 million in the second quarter of 2006, a decline of 0.9% from the second quarter of 2005. This decline is a result of share repurchases during 2005 and during the first six months of 2006.

Operating Results - Six Months Ended June 30, 2006 and 2005

Revenues from Services increased 7.1% to \$8,369.9 million for the first half of 2006 from the same period in 2005. Revenues were negatively impacted by changes in foreign currency exchange rates during the period due to the strengthening of the U.S. Dollar relative to the currencies in most of our non-U.S. markets. In constant currency, revenues increased 10.7%. This growth rate is a result of increased demand for our services in most of our markets, including the United States, France, EMEA, Jefferson Wells and Other Operations, where revenues increased 6.3%, 9.5%, 13.7%, 4.3% and 14.1%, respectively, on a constant currency basis. We also saw solid growth in our permanent recruitment business which increased 39.1% on a consolidated basis in constant currency. (See Financial Measures on pages 21 and 22 for further information on constant currency.)

Gross Profit increased 7.9% to \$1,533.8 million for the first half of 2006. In constant currency, Gross Profit increased 11.3%. Gross Profit Margin was 18.3%, an increase of 0.14% from the first half of 2005. The increase in Gross Profit Margin is primarily a result of a 34.6% increase in permanent recruitment fees (+0.26%) as well as an increase in gross profit margin in the temporary recruitment business (+0.15%) as we see improved pricing discipline in some markets, including France, and as we see improved margins in other markets as a result of lower direct costs (such as workers' compensation and state unemployment taxes in the U.S.). This improvement is partially offset by a change in the mix of services provided (-0.27%) primarily due to a lower amount of revenues coming from Right Management where the gross profit margin is generally higher than the company average.

Selling and Administrative Expenses increased 6.9% from the first half of 2005, to \$1,335.0 million in the first half of 2006. These expenses increased 10.2% in constant currency. This increase is primarily in response to the increase in business volumes, expensing the value of stock options for the first time in 2006 (\$7.5 million), and certain expenses related to reorganizations (\$9.0 million) and global cost reduction project costs (\$9.2 million). As a percent of revenues, Selling and Administrative Expenses were 15.9% in the first half of 2006 compared to 16.0% in the first half of 2005, which includes the reorganization charges and global cost reduction project costs of \$18.2 million. The improvement in Selling and Administrative Expenses as a percent of revenues reflects a favorable impact of our cost control efforts and productivity gains, as we have been able to increase the billable hours from our staffing business as well as our permanent placements without a similar increase in branch headcount, offset by our continued investments in new offices and the permanent recruitment business in certain markets.

Operating Profit increased 15.5% for the first half of 2006 compared to 2005, with an Operating Profit Margin of 2.4% in 2006 compared to 2.2% in 2005. On a constant currency basis, Operating Profit increased 18.9%. The margin improvement reflects the increased Gross Profit Margin and the favorable impact of cost control efforts and productivity gains, offset by the increase in expenses as a result of the reorganization charges and global cost reduction project costs. The reorganization charges and global cost reduction project costs accounted for a 10.5% reduction in Operating Profit for the first half of 2006.

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Interest and Other (Income) Expense was income of \$3.8 million in the first half of 2006 compared to expense of \$23.0 million for the same period in 2005. Net Interest Expense decreased \$0.3 million in the first six months of 2006 to \$17.6 million as the increase in interest income exceeded the increase in interest expense. Translation losses in the first half of 2006 were \$2.2 million compared to \$0.2 million in the first half of 2005. Miscellaneous income, net, which consists of bank fees and other non-operating income and expenses, was \$23.6 million of income in the first half of 2006 compared to \$4.9 million of expense in the first half of 2005. The first half 2006 miscellaneous income includes non-operating gains of \$29.3 million (\$0.27 per share-diluted) related to the sale of a payroll processing business in Sweden. Excluding this gain, miscellaneous expenses were \$5.7 million, an increase of \$0.8 million over 2005, primarily due to write-offs as a result of the reorganizations in the United Kingdom.

We provided for income taxes during the first half of 2006 at a rate of 34.4%. This rate includes the impact of certain discrete items in the first quarter of 2006, including the reorganization charges, the gain on sale of a business in Sweden and costs related to our global cost reduction project. Excluding the impact of these items, we provided for income taxes at a rate of 36.5%. Our current estimate of the annual effective tax rate, excluding the discrete items, is 36.5%. Including these items, we estimate our annual effective tax rate will be 35.5%. This rate is higher than the U.S. Federal statutory rate of 35% due primarily to the impact of higher foreign income tax rates and U.S. taxes on foreign earnings, and U.S. state income taxes.

Net Earnings Per Share – Diluted increased 45.6% to \$1.50 in the first half of 2006 compared to \$1.03 in the first half of 2005. The higher foreign currency exchange rates negatively impacted Net Earnings Per Share – Diluted by approximately \$0.05 in the first half of 2006 compared to 2005. Weighted-Average Shares – Diluted were 88.8 million in the first half of 2006, a decline of 4.8% from the first half of 2005. This decline is primarily a result of share repurchases in 2005 and the first half of 2006, and the redemption of our convertible debentures in March 2005.

On February 28, 2005, we called our convertible debentures, which resulted in 1,378,670 shares being issued as of March 30, 2005 for those debentures that were converted to shares. The remaining debentures were settled for cash. The dilutive effect of these debentures is included in our Net Earnings Per Share – Diluted calculation using the “if-converted” method for the period January 1, 2005 through March 29, 2005.

Segment Operating Results

United States

In the United States, revenues increased 5.5% for the second quarter of 2006 compared to the second quarter of 2005, due primarily to higher staffing volume and an increase in our permanent recruitment business. The year-over-year growth rate in the placement of our skilled office workers was 5.8%, dropping from the level experienced in the first quarter of 2006. Our industrial business experienced an increased year-over-year growth of 8.4% in the second quarter, and our professional business continues to show improving revenue growth, with a small year-over-year increase in the second quarter.

Gross Profit Margin increased during the second quarter of 2006 compared to the second quarter of 2005 primarily due to a decrease in state unemployment taxes and lower workers' compensation costs. In addition, the growth in permanent recruitment revenue also favorably impacted Gross Profit Margin in 2006 compared to 2005.

Selling and Administrative Expenses were well controlled during the quarter and increased at a slightly higher rate than revenues. The increase is due to higher personnel costs and higher advertising costs resulting from the launch of our new brand in February 2006.

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Operating Unit Profit (“OUP”) Margin in the United States was 4.2% and 3.5% for the second quarter of 2006 and 2005, respectively. This improvement is primarily related to the increased Gross Profit Margin, offset by the increase in Selling and Administrative Expenses. For the first half of 2006, OUP Margin was 3.1% compared to 2.3% in 2005.

France

In France, revenues increased 9.9% (9.8% in Euro) during the second quarter of 2006 compared to 2005. This growth rate in Euro is an improvement over that experienced in the first quarter of 2006. Revenues in the first half of 2006 increased 5.4% (9.5% in Euro) above prior year levels.

Gross Profit Margin was slightly higher in the second quarter of 2006 compared to 2005 primarily as a result of pricing pressures beginning to stabilize in the French market.

Selling and Administrative Expenses increased during the second quarter of 2006 compared to the second quarter 2005 primarily due to investments in the permanent recruitment business.

During the second quarter of 2006 and 2005, OUP Margin in France was 3.2% and 3.0%, respectively and 2.9% and 2.7% for the first half of 2006 and 2005, respectively. This increase reflects the increase in Gross Profit Margin, partially offset by the increase in Selling and Administrative expenses.

EMEA

In EMEA, which represents operations throughout Europe, the Middle East and Africa (excluding France), revenues increased 11.2% in the second quarter of 2006 compared to the second quarter of 2005 (an increase of 11.6% on a constant currency basis). Local currency revenue growth was experienced in most major markets with the highest growth rates reported in Elan, Germany, Holland, and Italy. Local currency revenue declines were experienced by Manpower UK. Permanent placement revenues have increased over 20.0% (over 21.0% on a constant currency basis) for both the second quarter and the first six months of 2006 as a result of our investments in this business.

Gross Profit Margin increased in the second quarter of 2006 compared to the second quarter of 2005 primarily due to the increase in permanent recruitment revenues and improved pricing discipline in many markets.

Selling and Administrative Expenses increased during the second quarter of 2006 compared to the second quarter of 2005 due to the need to support increased business volumes. Expenses as a percent of revenues decreased slightly in the quarter compared to the second quarter of 2005 primarily due to productivity improvements, as EMEA has been able to increase the billable hours from the staffing business without a similar increase in branch headcount. Expenses during the first half of 2006 increased compared to the first half of 2005. A portion of this increase is due to \$7.8 million of reorganization charges recorded in the United Kingdom in the first quarter.

OUP Margin for EMEA was 3.2% and 2.6% for the second quarter of 2006 and 2005, respectively, and 2.5% and 1.9% for the first half of 2006 and 2005, respectively. This margin improvement was primarily the result of leveraging our expense base with increased revenue and gross profit levels.

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Jefferson Wells

Revenues for Jefferson Wells in the second quarter of 2006 increased 5.7% compared to the second quarter of 2005 as demand for technology risk management, internal audit, and non-Sarbanes-Oxley control services more than offset the decline in Sarbanes-Oxley related control services. Revenues in the first half of 2006 are 4.3% above prior year levels. Approximately 10% of Jefferson Wells' revenues for the first six months of 2006 were generated from providing services to one customer. The contract with this customer is expected to be completed in the fourth quarter of 2006, with a declining level of revenue expected in each of the next two quarters.

The Gross Profit Margin in the second quarter of 2006 declined compared to the second quarter of 2005 due to the change in the mix of business towards services with lower gross profit margins. Margins for the second quarter of 2006 were consistent with first quarter.

Selling and Administrative Expenses increased 1.8% during the second quarter of 2006 compared to the second quarter of 2005 and continue to be well controlled. As a percentage of revenue, expenses have decreased compared to the second quarter of 2005.

The OUP Margin for Jefferson Wells in the second quarter of 2006 was 10.2% compared to 10.0% in the second quarter of 2005. This increased margin is primarily the result of good expense management. For the first six months of 2006, the OUP Margin was 8.1% compared to 9.3% in 2005.

Right Management

Revenues for Right Management in the second quarter of 2006 decreased 4.2% compared to the second quarter of 2005 (a decrease of 4.1% on a constant currency basis). This decrease is the result of lower demand for outplacement services as economies in major markets continue to improve, offset by improving demand for Right Management's organizational consulting services. Revenues in the first half of 2006 were 5.9% below prior year (a decrease of 4.2% in constant currency).

Gross Profit Margin decreased in the second quarter of 2006 compared to the second quarter of 2005 as a result of changes in the mix of business between outplacement and organizational consulting services.

Selling and Administrative Expenses decreased as a percent of revenue for the quarter due to good expense management in response to the slowing revenue levels. Expenses as a percent of revenues were lower in the second quarter of 2006 compared to 2005 as cost reductions more than offset the decline in revenues.

OUP Margin for Right Management was 10.6% in the second quarter of 2006 compared to 8.6% in the second quarter of 2005. This increased margin is primarily the result of the decrease in Selling and Administrative Expenses, offset by the decline in gross profit margins. OUP Margin for the first half of 2006 was 7.7% compared to 9.0% in the first half of 2005.

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Other Operations

Revenues for Other Operations increased 11.4% (14.2% in constant currency) during the second quarter of 2006 compared to 2005. Revenue increases for the second quarter, in constant currency, were experienced in virtually all markets in this segment, including Argentina, Mexico and Japan which experienced revenue growth rates of 56.4%, 29.4%, and 5.6%, respectively. India and China also experienced significant growth with both reporting revenues more than double that of the second quarter of 2005. Permanent recruitment revenues increased 37.4% in constant currency as a result of ongoing investments in this business. For the first half of 2006, revenues for this segment have increased 10.6% from the year earlier period (14.1% in constant currency).

The Gross Profit Margin increased in the second quarter of 2006 compared to the second quarter of 2005 primarily due to a shift in the mix of business toward those countries with higher gross profit margins.

Selling and Administrative Expenses increased 12.1% in the second quarter of 2006 compared to the second quarter of 2005 to support increased revenue levels and as a result of investments in office openings and permanent recruitment business in certain markets. Expenses as a percent of revenue were in line with prior year for the quarter but declined slightly for the first half of 2006 compared to the same period in 2005.

The OUP Margin for Other Operations in the second quarter of 2006 was 2.6% compared to 2.5% for the same period in 2005. This improvement is due to the increase in Gross Profit Margin. OUP Margin for the first half of 2006 and 2005 was 2.9% and 2.5%, respectively. This increase is due to higher gross profit margins offsetting the increase in Selling and Administrative Expenses.

Financial Measures

Constant Currency Reconciliation

Changes in our revenues and operating profits include the impact of changes in foreign currency exchange rates. We provide “constant currency” calculations in this quarterly report to remove the impact of these items. We typically express year-over-year variances that are calculated in constant currency as a percentage.

When we use the term “constant currency,” it means that we have translated financial data for a period into U.S. Dollars using the same foreign currency exchange rates that we used to translate financial data for the previous period. We believe that this calculation is a useful measure, indicating the actual growth of our operations. We utilize constant currency results in our analysis of subsidiary or segment performance. We also use constant currency when analyzing our performance against that of our competitors. Earnings from our subsidiaries are not generally repatriated to the United States, and we typically do not incur significant gains or losses on foreign currency transactions with our subsidiaries. Therefore, changes in foreign currency exchange rates primarily impact only reported earnings and not our actual cash flow or economic condition.

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Constant currency percent variances, along with a reconciliation of these amounts to certain of our reported results, are provided below.

	Three Months Ended June 30, 2006 compared to 2005			
	Reported Amount ^(a)	Reported Variance	Impact of Currency	Variance in Constant Currency
			(Unaudited)	
Revenues from Services:				
United States	\$ 534.6	5.5%	— %	5.5%
France	1,535.6	9.9	0.1	9.8
EMEA	1,590.1	11.2	(0.4)	11.6
Jefferson Wells	98.8	5.7	—	5.7
Right Management	103.9	(4.2)	(0.1)	(4.1)
Other Operations	577.0	11.4	(2.8)	14.2
Manpower Inc.	\$ 4,440.0	9.5	(0.5)	10.0
Gross Profit	\$ 816.4	10.4	(0.5)	10.9
Selling and Administrative Expenses	\$ 677.3	7.6	(0.5)	8.1
Operating Profit	\$ 139.1	26.9	0.1	26.8

^(a) Represents amounts in millions for the three months ended June 30, 2006.

	Six Months Ended June 30, 2006 compared to 2005			
	Reported Amount ^(a)	Reported Variance	Impact of Currency	Variance in Constant Currency
			(Unaudited)	
Revenues from Services:				
United States	\$ 1,044.9	6.3%	— %	6.3%
France	2,776.1	5.4	(4.1)	9.5
EMEA	3,023.0	9.0	(4.7)	13.7
Jefferson Wells	194.3	4.3	—	4.3
Right Management	199.9	(5.9)	(1.7)	(4.2)
Other Operations	1,131.7	10.6	(3.5)	14.1
Manpower Inc.	\$ 8,369.9	7.1	(3.6)	10.7
Gross Profit	\$ 1,533.8	7.9	(3.4)	11.3
Selling and Administrative Expenses	\$ 1,335.0	6.9	(3.3)	10.2
Operating Profit	\$ 198.8	15.5	(3.4)	18.9

^(a) Represents amounts in millions for the six months ended June 30, 2006.

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Liquidity and Capital Resources

Cash provided by operating activities was \$135.6 million in the first half of 2006 compared to \$99.2 million for the first half of 2005. This increase is primarily due to an improved working capital position. Cash provided by operating activities before changes in working capital requirements was \$142.6 million in the first half of 2006 compared to \$144.3 million in the first half of 2005.

Accounts receivable increased to \$3,610.8 million as of June 30, 2006 from \$3,208.2 million as of December 31, 2005. This increase is due to the higher business volumes in the second quarter of 2006 compared to that of the fourth quarter in 2005 and due to changes in foreign currency exchange rates. At December 31, 2005 exchange rates, the June 30, 2006 balance would have been approximately \$206.9 million lower than reported. Our consolidated Days Sales Outstanding (DSO) as of June 2006 remained consistent with the prior year.

Capital expenditures were \$34.8 million in the first half of 2006 compared to \$36.1 million during the first half of 2005. These expenditures are primarily comprised of purchases of computer equipment, office furniture and other costs related to office openings and refurbishments.

From time to time, we acquire and invest in companies throughout the world, including franchises. The total cash consideration for acquisitions, net of cash acquired, in the first half of 2006 was \$7.2 million.

On January 31, 2006, we received final approval from the Swedish Competition Authorities and sold a non-core payroll processing business in Sweden. A pre-tax gain of \$29.3 million (\$23.7 million after tax, or \$0.27 per diluted share) related to this sale was recorded in the first half of 2006. Net proceeds from this transaction were \$29.6 million.

In December of 2005, we sold one of our available-for-sale investments for a gain of \$2.6 million. Proceeds from this transaction of \$8.8 million were received in the first half of 2006.

Net debt borrowings in the first half of 2006 were \$250.8 million compared to net debt repayments of \$32.4 million in the first half of 2005.

On June 14, 2006, we offered and sold €200.0 million aggregate principal amount of 4.75% notes due June 14, 2013 (the “€200.0 Million Notes”). Net proceeds of €198.1 million (\$249.5 million) are currently invested in cash equivalents until July 2006 when they will be used to repay our €200.0 million notes due July 2006. The €200.0 Million Notes were issued at a price of 99.349% to yield an effective interest rate of 4.862%. The discount of €1.3 million (\$1.6 million) will be amortized to interest expense over the term of the notes. Interest is payable annually on June 14 beginning in 2007. The €200.0 Million Notes are unsecured senior obligations and rank equally with all of our existing and future senior unsecured debt and other liabilities. We may redeem the €200.0 Million Notes, in whole but not in part, at our option at any time for a redemption price as defined in the agreement. The € 200.0 Million Notes also contain certain customary restrictive covenants and events of default. See Item 3 – Quantitative and Qualitative Disclosures About Market Risk – for additional information.

In July 2006, we amended our \$200 Million Receivables Facility extending its maturity to July 2007 and reducing the fees for the facility. All other terms remain substantially unchanged. There were no borrowings outstanding under this facility as of June 30, 2006 or December 31, 2005.

As of June 30, 2006, we had borrowings of \$127.9 million and letters of credit of \$42.9 million outstanding under our \$625.0 million revolving credit agreement. There were no borrowings outstanding under our commercial paper program. Subsequent to June 30, 2006, the letters of credit outstanding under the revolving credit agreement were reduced to \$4.4 million as certain letters of credit have been issued directly by third parties rather than under the revolving credit agreement.

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Our \$625.0 million revolving credit agreement requires, among other things, that we comply with a Debt-to-EBITDA ratio of less than 3.25 to 1 and a fixed charge ratio of greater than 2.00 to 1. As defined in the agreement, we had a Debt-to-EBITDA ratio of 1.89 to 1 and a fixed charge ratio of 2.89 to 1 as of June 30, 2006. Based upon current forecasts, we expect to be in compliance with these covenants throughout 2006.

In addition to the previously mentioned facilities, we maintain separate bank facilities with financial institutions to meet working capital needs of our subsidiary operations. As of June 30, 2006, such facilities totaled \$287.2 million, of which \$266.0 million was unused. Due to limitations on subsidiary borrowings in our revolving credit agreement, additional borrowings of \$123.6 million could have been made under these lines as of June 30, 2006. Under the revolving credit agreement effective January 2006, total subsidiary borrowings cannot exceed \$150.0 million in the first, second and fourth quarters, and \$300.0 million in the third quarter of each year.

In October 2005, the Board of Directors authorized the repurchase of 5.0 million shares of our common stock, not to exceed a total price of \$250.0 million. Share repurchases may be made from time to time and may be implemented through a variety of methods, including open market purchases, block transactions, privately negotiated transactions, accelerated share repurchase programs, forward repurchase agreements or similar facilities. During the first half of 2006, we repurchased shares at a total cost of \$119.1 million. There are approximately 2.7 million shares remaining available for repurchase under this authorization, not to exceed a total price of approximately \$116.8 million. Subsequent to June 30, 2006, 851,200 additional shares have been repurchased, through August 1, 2006, at a total cost of \$49.9 million. During the first half of 2005, we repurchased 5.0 million shares at a total cost of \$203.5 million under the 2004 authorization.

On April 25, 2006, the Board of Directors declared a cash dividend of \$0.27 per share, which was paid on June 14, 2006 to shareholders of record on June 5, 2006.

We have aggregate commitments related to debt repayments, operating leases, severances and office closure costs, and certain other commitments of \$2,063.8 million as of June 30, 2006 compared to \$1,669.9 million as of December 31, 2005. The increase in these commitments is due to the issuance of the €200 Million Notes in the second quarter of 2006.

In connection with the acquisition of Right Management in 2004, we established reserves for severances and other office lease closure costs related to streamlining Right Management's worldwide operations that totaled \$24.5 million. As of June 30, 2006, approximately \$21.3 million has been paid from these reserves, of which \$1.9 million was paid in 2006.

In 2006, we recorded expenses totaling \$9.5 million in the United Kingdom, and \$1.2 million at Right Management for severances and other office closure costs related to reorganizations at these entities. Of the \$9.5 million in the United Kingdom, \$3.0 million was paid during the six months ended June 30, 2006, and a majority of the remaining \$6.5 million will be paid in the remainder of 2006. All of the reorganization costs at Right Management were paid during the first quarter of 2006.

In 2005, we recorded total expenses of \$15.3 million in France and \$4.0 million at Right Management for severance costs related to reorganization in both segments. As of June 30, 2006, \$5.1 million has been paid from the reserve in France, \$3.8 million of which was paid in 2006. The remaining \$10.2 is expected to be paid in 2006. The full \$4.0 million recognized at Right Management was paid in 2005.

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We also have entered into guarantee contracts and stand-by letters of credit that total approximately \$129.6 million and \$128.6 million as of June 30, 2006 and December 31, 2005, respectively (\$55.9 million and \$41.0 million for guarantees, respectively, and \$73.7 million and \$87.6 million for stand-by letters of credit, respectively). Guarantees primarily relate to bank accounts, operating leases, and indebtedness. The stand-by letters of credit relate to workers' compensation, operating leases and indebtedness. If certain conditions were met under these arrangements, we would be required to satisfy our obligation in cash. Due to the nature of these arrangements and our historical experience, we do not expect to make any significant payments under these arrangements. Therefore, they have been excluded from our aggregate commitments identified above.

Recently Issued Accounting Standards

Effective January 1, 2006, the Company adopted SFAS No. 123(R), "Share-Based Payments," ("SFAS 123R") using the modified prospective method. The modified prospective method requires compensation cost to be recognized beginning on the effective date (a) based on the requirements of SFAS 123R for all share-based payments granted after the effective date and (b) based on the requirements of SFAS 123 for all awards granted to employees prior to the effective date of SFAS 123R that remain unvested on the effective date. As such, prior periods will not reflect restated amounts. (See Note 2 for further information.)

During July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, and Related Implementation Issues," (FIN 48). FIN 48 prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. We are currently in the process of evaluating the effect of FIN 48 on our financial statements.

Forward-Looking Statements

Statements made in this quarterly report that are not statements of historical fact are forward-looking statements. In addition, from time to time, we and our representatives may make statements that are forward-looking. All forward-looking statements involve risks and uncertainties. The information under the heading "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2005, which information is incorporated herein by reference, provides cautionary statements identifying, for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, important factors that could cause our actual results to differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by words such as "expect," "anticipate," "intend," "plan," "may," "will," "believe," "seek," "estimate," and similar expressions. Some or all of the factors identified in our annual report on Form 10-K may be beyond our control. We caution that any forward-looking statement reflects only our belief at the time the statement is made. We undertake no obligation to update any forward-looking statements to reflect subsequent events or circumstances.

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Item 3 – Quantitative and Qualitative Disclosures About Market Risk

Our 2005 Annual Report on Form 10-K contains certain disclosures about market risks affecting us. There have been no material changes to the information provided which would require additional disclosures as of the date of this filing, except for the issuance of our €200.0 million notes, all of which have been previously identified.

Item 4 – Controls and Procedures

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Securities Exchange Act of 1934, as amended (“Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. We carried out an evaluation, under the supervision and with the participation of our management, including our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chairman and Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report.

There have been no changes in our internal control over financial reporting identified in connection with the evaluation discussed above that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION**Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds**

In October 2004, the Board of Directors authorized the repurchase of 5.0 million shares of our common stock, not to exceed a total purchase price of \$250.0 million. The authorization permitted share repurchases from time to time through a variety of methods, including open market purchases, block transactions, privately negotiated transactions, accelerated share repurchase programs, forward repurchase agreements or similar facilities. The following table shows the total amount of shares repurchased under this authorization during the second quarter of 2006.

ISSUER PURCHASES OF EQUITY SECURITIES

	<u>Total number of shares purchased</u>	<u>Average price paid per share</u>	<u>Total number of shares purchased as part of publicly announced plan</u>	<u>Maximum number of shares that may yet be purchased under plan</u>
April 1 - 30, 2006	—	—	—	4,087,400
May 1 - 31, 2006	329,300	64.26	329,300	3,758,100
June 1 - 30, 2006	1,028,400	63.13	1,028,400	2,729,700 ⁽¹⁾

⁽¹⁾ The purchase price for the shares remaining available for repurchase may not exceed approximately \$116.8 million.

Item 4 – Submission of Matters to a Vote of Security Holders

Information required by this item was previously provided in our quarterly report on Form 10-Q for the period ending March 31, 2006.

Item 5 – Other Information

Audit Committee Approval of Audit-Related and Non-Audit Services

The Audit Committee of our Board of Directors has approved the following audit-related and non-audit services performed or to be performed for us by our independent registered public accounting firm, Deloitte & Touche LLP, to date in 2006:

- (a) preparation and/or review of tax returns, including sales and use tax, excise tax, income tax, local tax, property tax, and value-added tax;
- (b) consultation regarding appropriate handling of items on tax returns, required disclosures, elections and filing positions available to us;
- (c) assistance with tax audits and examinations, including providing technical advice on technical interpretations, applicable laws and regulations, tax accounting, foreign tax credits, foreign income tax, foreign earnings and profits, U.S. treatment of foreign subsidiary income, and value-added tax, excise tax or equivalent taxes in foreign jurisdictions;
- (d) advice and assistance with respect to transfer pricing matters, including the preparation of reports used by us to comply with taxing authority documentation requirements regarding royalties and inter-company pricing, and assistance with tax exemptions;
- (e) advice regarding tax issues relating to our internal reorganizations;
- (f) assistance relating to reporting under and compliance with the federal securities laws and the rules and regulations promulgated thereunder, including the issuance of consents and comfort letters;
- (g) reviews of the quarterly financial statements;
- (h) consultation regarding current, proposed and newly adopted accounting pronouncements;
- (i) audit of a foreign employee pension plan; and
- (j) assistance with a review at a foreign subsidiary.

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Item 6 – Exhibits

- 4.1 Fiscal and Paying Agency Agreement between Manpower Inc. and Citibank, N.A. as Fiscal Agent, Principal Paying Agent, Registrar and Transfer Agent and Citibank International PLC as Irish Paying Agent, dated as of June 14, 2006 (including the form of Global Note, attached thereto as Schedule 1).
- 10.1 Change of Control Severance Agreement between Manpower Inc. and Barbara J. Beck dated May 12, 2006, incorporated by reference to the Current Report on Form 8-K of Manpower Inc. dated May 11, 2006.
- 10.2 Change of Control Severance Agreement between Manpower Inc. and Jonas Prising dated May 11, 2006, incorporated by reference to the Current Report on Form 8-K of Manpower Inc. dated May 11, 2006.
- 12.1 Statement Regarding Computation of Ratio of Earnings to Fixed Charges.
- 31.1 Certification of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to Section 13a-14(a) of the Securities Exchange Act of 1934.
- 31.2 Certification of Michael J. Van Handel, Executive Vice President and Chief Financial Officer, pursuant to Section 13a-14(a) of the Securities Exchange Act of 1934.
- 32.1 Statement of Jeffrey A. Joerres, Chairman and Chief Executive Officer, pursuant to 18 U.S.C. ss. 1350.
- 32.2 Statement of Michael J. Van Handel, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. ss. 1350.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MANPOWER INC.
(Registrant)

Date: August 2, 2006

/s/ Michael J. Van Handel

Michael J. Van Handel

Executive Vice President, Chief Financial Officer, and Secretary
(Signing on behalf of the Registrant and as the Principal Financial
Officer and Principal Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description
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FISCAL AND PAYING AGENCY AGREEMENT

JUNE 14, 2006

Between

MANPOWER INC.

and

CITIBANK, N.A.

**as Fiscal Agent, Principal Paying Agent,
Registrar and Transfer Agent**

and

CITIBANK INTERNATIONAL PLC

as Irish Paying Agent

ALLEN & OVERY

Allen & Overy LLP

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FISCAL AND PAYING AGENCY AGREEMENT dated as of June 14, 2006 (the **Agreement**) among **MANPOWER INC.**, a corporation organized under the laws of the State of Wisconsin (the **Company**), **CITIBANK, N.A.**, acting through its office at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England, as fiscal and principal paying agent, (Citibank, N.A. or any successor or additional person acting as fiscal and principal paying agent appointed hereunder being called the **Fiscal Agent**) and **CITIBANK INTERNATIONAL PLC** acting through its office at 1 North Wall Quay, Dublin 1, Ireland, as additional paying agent (the **Irish Paying Agent**) and, together with the Fiscal Agent, the **Paying Agents**).

WITNESSETH:

1. GENERAL

The Company has authorized the creation and issue of €200,000,000 4.75% notes due June 14, 2013 (the **Notes**). The Notes will be senior to all of the Company's unsecured subordinated indebtedness, effectively junior to all of the Company's secured indebtedness to the extent of the value of the collateral, and effectively junior to all indebtedness and other obligations, including trade payables, of all of the Company's Subsidiaries.

2. APPOINTMENT OF THE FISCAL AGENT, REGISTRAR, TRANSFER AGENT AND PAYING AGENT

2.1 The Company hereby appoints the Fiscal Agent to act, and the Fiscal Agent hereby accepts such appointment, on the terms and conditions specified herein and in the Notes, as fiscal and principal paying agent for the Notes and the Irish Paying Agent as an additional paying agent for the Notes. The Company shall maintain an office or agency in London where Notes may be presented for registration (the **Registrar**) and an office or agency in London where Notes may be presented for transfer or exchange or for payment (the **Transfer Agent**). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional transfer and paying agents. The terms **Paying Agents** and **Transfer Agent** include any additional paying agent or transfer agent, as applicable, and the term **Registrar** includes any co-registrars. The Company initially appoints Citibank, N.A., who accepts such appointment, as Registrar and Transfer Agent. In addition, the Company undertakes that it will ensure, to the extent practicable, that it maintains a paying agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (the **Directive**) regarding the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, the Directive. The Fiscal Agent, the Irish Paying Agent, the Transfer Agent and the Registrar will be referred to collectively as **Agents**.

2.2 So long as the Notes are listed on the Official List of, or admitted to trading on, the Irish Stock Exchange and the rules thereof so require, a paying agent and listing agent will be maintained in Ireland at all times.

2.3 The Company shall enter into an appropriate agency agreement with any registrar, transfer agent or paying agent not a party to this Agreement, which shall implement the provisions of this Agreement that relate to such agent. The Company shall notify the Fiscal Agent of the name and address of any such agent. If the Company fails to maintain a Registrar, Transfer Agent or Paying Agent, the Fiscal Agent shall be entitled, but not obliged, to act as such and shall be entitled to appropriate compensation therefor pursuant to Clause 16 hereof.

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2.4 Except as specifically provided in this Agreement, any Registrar, Transfer Agent or Paying Agent will act solely as agents of the Company and will not assume any obligation or relationship of agency or trust to or with the holders of the Notes (**Noteholders**).

2.5 The obligations of the Agents under this Agreement shall be several and not joint.

3. AMOUNT; ADDITIONAL NOTES; EXECUTION

3.1 The aggregate principal amount of Notes which may be initially issued hereunder is €200,000,000. Additional Notes may be issued from time to time under this Agreement, and if issued, they may form the same series and will be governed by the same Agreement as the Notes offered hereby.

3.2 The Global Note (as defined in Clause 5 below) and any certificated security (the **Definitive Notes**) shall be executed by or on behalf of the Company by the manual or facsimile signature of an Authorized Representative (as defined in Clause 4 hereof) of the Company and authenticated manually by or on behalf of the Fiscal Agent.

4. AUTHORIZED REPRESENTATIVES

From time to time the Company will furnish the Fiscal Agent with a certificate of the Company certifying the incumbency and specimen signatures of officers authorized to execute Notes on behalf of the Company (each an **Authorized Representative**). Until the Fiscal Agent receives a subsequent incumbency certificate of the Company, the Fiscal Agent shall be entitled to rely on the last such certificate delivered to it for purposes of determining the Authorized Representatives. The Fiscal Agent shall have no responsibility to the Company to determine by whom or by what means a facsimile signature may have been affixed on the Notes or to determine whether any facsimile or manual signature is genuine, if such facsimile or manual signature resembles the specimen signatures filed with the Fiscal Agent by a duly authorized officer of the Company. Any Note bearing the manual or facsimile signature of a person who is an Authorized Representative on the date such signature is affixed shall bind the Company after the authentication and registration thereof by the Fiscal Agent, notwithstanding that such person shall have ceased to hold office on the date such Note is authenticated and delivered by the Fiscal Agent.

5. FORM OF THE NOTES

With regard to the issuance of Notes:

- (a) The Notes will be offered and sold by the Company pursuant to a Subscription Agreement. The Notes will be resold initially only to persons other than U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the **Securities Act**)) in reliance on Regulation S. The Notes shall be issued in the form of one permanent global note in fully registered form substantially in the form of Schedule 1 attached hereto (the **Global Note**), without interest coupons and with the global securities legend and the applicable restricted securities legends, which shall be deposited with Citibank, N.A., as common depositary (the **Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream**) and registered in the nominee name for such Depositary, and shall be duly executed by the Company and authenticated by the Fiscal Agent as provided in this Agreement. The terms of the Notes set forth in Schedule 1 and the provisions for the meetings of the Noteholders set forth in Schedule 2 are hereby expressly incorporated in and made part of the terms of this Agreement.

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- (b) Prior to and including the date which is 40 days after the later of (i) the day on which the Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S, and (ii) the date of the closing of the offering (the **Restricted Period**), beneficial interests in the Global Note may not be transferred to a U.S. person or for the account or benefit of a U.S. person.
- (c) The aggregate principal amount of the Global Notes may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Depositary or its nominee as hereinafter provided.

6. **BOOK-ENTRY PROVISIONS**

- (a) This Clause 6 shall apply only to a Global Note deposited with or on behalf of, and registered in the name of a nominee of, the Depositary. The Company shall execute and the Fiscal Agent shall, in accordance with this Clause 6, authenticate and deliver the Global Note, which (i) shall be registered in the nominee name of the Depositary for such Global Note and (ii) shall be delivered by the Fiscal Agent to such Depositary or pursuant to such Depositary's instructions or held by a security custodian appointed by the Depositary.
- (b) Members of, or participants in, Euroclear and/or Clearstream (**Agent Members**) shall have no rights under this Agreement with respect to any Global Note held on behalf of Euroclear and Clearstream (the **Clearing Systems**) by the Depositary or by its custodian or under such Global Note, and the Company, the Fiscal Agent and any agent of the Company or the Fiscal Agent shall be entitled to treat the Depositary or its nominee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Fiscal Agent or any agent of the Company or the Fiscal Agent from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Clearing Systems and their Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Note.

7. **TRANSFER AND EXCHANGE**

7.1 **Transfer and Exchange of Definitive Notes**

When Definitive Notes are presented to the Registrar with a request:

- (a) to register the transfer of such Definitive Notes; or
 - (b) to exchange such Definitive Notes for an equal principal amount of Definitive Notes of other authorized denominations,
- the Registrar shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; **provided, however,** that the Definitive Notes surrendered for transfer or exchange:
- (i) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, duly executed by the Noteholder thereof or its attorney duly authorized in writing; and
 - (ii) shall be accompanied by the following additional information and documents, as applicable:

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- (A) if such Definitive Notes are being delivered to the Registrar by a Noteholder for registration in the name of such Noteholder, without transfer, a certification from such Noteholder to that effect; or
- (B) if such Definitive Notes are being transferred to the Company or pursuant to an effective registration statement under the Securities Act of 1933, a certification to that effect; or
- (C) if such Definitive Notes are being transferred (i) pursuant to an exemption from registration in accordance with Regulation S under the Securities Act or (ii) in reliance upon another exemption from the requirements of the Securities Act (x) a certification to that effect and (y) if the Company so requests, an opinion of counsel or other evidence reasonably satisfactory to it as to the compliance with the requirements of the Securities Act.

7.2 Transfer and Exchange of Global Notes

- (a) The transfer and exchange of the Global Note or beneficial interests therein shall be effected through the Depositary, in accordance with this Agreement (including applicable restrictions on transfer set forth herein, if any) and the procedures of the Depositary therefor. A transferor of a beneficial interest in the Global Note shall deliver to the Registrar a written order, given in accordance with the Depositary's procedures, containing information regarding the participant account of the Depositary to be credited with a beneficial interest in the Global Note. The Registrar shall, in accordance with such instructions, instruct the Depositary to credit to the account of the person specified in such instructions a beneficial interest in the Global Note and to debit the account of the person making the transfer the beneficial interest in the Global Note being transferred.
- (b) Notwithstanding any other provisions of this Agreement (other than the provisions set forth in Clause 8), the Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.
- (c) In the event that the Global Note is exchanged for Definitive Notes pursuant to Clause 8 of this Agreement, such securities may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of this Clause 7 (including the certification requirements intended to ensure that such transfers comply with Regulation S or another applicable exemption under the Securities Act, as the case may be) and such other procedures as may from time to time be adopted by the Company.

8. DEFINITIVE NOTES

- 8.1 The Global Note deposited with the Depositary or with a securities custodian for the Depositary pursuant to Clause 6(a) shall be transferred to the beneficial owners thereof in the form of Definitive Notes in an aggregate principal amount equal to the principal amount of such Global Note, in exchange for such Global Note, only if such transfer complies with Clause 7 hereof and (a) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Note and a successor Depositary is not appointed by the Company within three months of such notice; (b) the Company, Euroclear or Clearstream so requests following an Event of Default under the Notes (in which case such securities may be exchanged in whole but not in part); (c) the owner of a book-entry interest requests such exchange in writing delivered through Euroclear and/or Clearstream or the Company following an Event of Default under the Notes; or (d) the Company would suffer a material disadvantage

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as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two duly authorized officers of the Company is given to the Fiscal Agent. In the case of (d) above, the Company may give notice to the Fiscal Agent and the Noteholders of its intention to exchange the Global Notes for Definitive Notes.

- 8.2 Any Global Note that is transferable to the beneficial owners thereof pursuant to this Clause 8 shall be surrendered by the Depositary to the Registrar located at its principal corporate trust office, to be so transferred, in whole, without charge, and the Registrar shall authenticate and deliver, upon such transfer of each portion of such Global Note, an equal aggregate principal amount of Definitive Notes of authorized denominations. Any portion of a Global Note transferred pursuant to this Clause 8 shall be executed, authenticated and delivered only in minimum denominations of €50,000 and integral multiples of €1,000 in excess thereof and registered in such names as the Depositary shall direct. Any Definitive Note delivered in exchange for an interest in a restricted security shall bear the applicable restricted securities legend.
- 8.3 In the event of the occurrence of one of the events specified in Clause 8.1 hereof, the Company shall promptly make available to the Registrar a reasonable supply of Definitive Notes in definitive, fully registered form without interest coupons.
- 8.4 If Definitive Notes are issued and a holder thereof claims that such Definitive Note has been lost, destroyed or wrongfully taken, or if such Definitive Note is mutilated and is surrendered to the Registrar or at the office of a Transfer Agent, the Company will issue and the Fiscal Agent will authenticate a replacement Definitive Note if the Fiscal Agent's and the Company's requirements are met. The Company or the Fiscal Agent may require a Noteholder requesting replacement of a Definitive Note to furnish an indemnity bond sufficient in the judgment of both to protect the Company, the Fiscal Agent or the Paying Agent appointed pursuant to this Agreement from any loss which any of them may suffer if a Definitive Note is replaced. The Company may charge for any expenses incurred in replacing a Definitive Note.
- 8.5 In case any such mutilated, destroyed, lost or stolen Definitive Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Company pursuant to the provisions of this Agreement, the Company, in its discretion, may, instead of issuing a new Definitive Note, pay, redeem or purchase such Definitive Note, as the case may be.
- 8.6 To the extent permitted by law, the Company and the Agents shall be entitled to treat the registered holder as the absolute owner thereof.

9. RELIANCE ON INSTRUCTIONS

No Agent shall incur any liability to the Company in acting hereunder pursuant to instructions which such Agent believed in good faith to have been given by an Authorized Representative.

10. COMPANY'S REPRESENTATIONS AND WARRANTIES

Each Agent is entitled to assume that the issuance and delivery of the Notes by the Company have been duly and validly authorized by the Company and that the Notes, when completed, authenticated and delivered pursuant hereto, will constitute the legal, valid and binding obligations of the Company.

11. PAYMENT OF NOTE PRINCIPAL AND INTEREST; INTEREST PAYMENT DATES; RECORD DATES

11.1 Payment

The Company will, on each date on which any payment in respect of the Notes becomes due, transfer to the Fiscal Agent by 11.00 a.m. (local time in the city of the Fiscal Agent's specified office) such amount as may be required for the purposes of such payment. The Company will deliver to the Fiscal Agent by 10.00 a.m. (local time in the city of the Fiscal Agent's specified office) on the second business day in the city of the Fiscal Agent's specified office before the due date for any such payment a copy of irrevocable instructions issued by it for such payment to be made to the Fiscal Agent. In this subclause, the date on which a payment in respect of the Notes becomes due means the first date on which the holder of a Note could claim the relevant payment by transfer to an account under the Notes, but disregarding the necessity for it to be a business day in any particular place of presentation. The Fiscal Agent will, in turn, make such payments to the Depositary or its nominee as common depositary for Euroclear and Clearstream, which will distribute such payments to participants by wire transfer of immediately available funds to the account specified by the holder or holders thereof and in accordance with their respective customary procedures.

11.2 Method of Payment

Noteholders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in Euros or such other lawful currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by the Global Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by Euroclear or Clearstream. The Company will make all payments in respect of a Definitive Note (including principal, premium and interest) by mailing a check to the registered address of each Noteholder thereof; **provided, however**, that payments on a Definitive Note will be made by wire transfer if such Noteholder elects payment by wire transfer by giving written notice to the Fiscal Agent or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Fiscal Agent may accept in its discretion).

11.3 Notification of Non-payment

The Fiscal Agent will forthwith notify by telex each other Paying Agent and the Company if the Fiscal Agent has not by the due date for any payment due in respect of the Notes received the full amount so payable on such date.

11.4 Payment by Paying Agents

Each Paying Agent will, subject to and in accordance with the Notes, pay or cause to be paid on behalf of the Company on and after each due date therefor the amounts due in respect of the Notes and, in the case of each Paying Agent other than the Fiscal Agent, will be entitled to claim any amounts so paid from the Fiscal Agent. If any payment provided for in subclause 11.1 is made late but otherwise in accordance with this Agreement, the Paying Agents may nevertheless make payments in respect of the Notes. However, unless and until the full amount of any such payment has been made to the Fiscal Agent, the Paying Agents will not be bound to make such payments.

11.5 Reimbursement of Paying Agents

The Fiscal Agent will on demand promptly reimburse each other Paying Agent for payments in respect of the Notes properly made by it in accordance with the Notes and this Agreement.

11.6 Late Payment

If the Fiscal Agent has not by the due date for any payment in respect of the Notes received the full amount payable on such date but receives it later, it will forthwith give notice to each other Paying Agent and Noteholders that it has received such full amount.

11.7 Moneys Held by the Fiscal Agent

The Fiscal Agent may deal with moneys paid to it under this Agreement in the same manner as other moneys paid to it as a banker by its customers except that (a) it may not exercise any lien, right of set-off or similar claim in respect of them and (b) it shall not be liable to anyone for interest on any sums held by it under this Agreement. Any moneys paid by the Company to the Fiscal Agent for payment of principal or interest which remain unclaimed for two years after such moneys have become due and payable will be repaid to the Company upon its written request and the holder may thereafter look only to the Company for payment thereof. Moneys held by the Fiscal Agent need not be segregated except as required by law.

11.8 Partial Payments

If on presentation of a Note only part of the amount payable in respect of it is paid (except as a result of deduction of tax as permitted by the terms and conditions of the Notes) the Paying Agent to whom the Note is presented shall ensure that such Note shall have attached to it a memorandum of the amount paid and the date of payment.

12. DUTIES OF THE FISCAL AGENT

In accordance with the terms and conditions of the Notes and this Agreement or if otherwise requested by the Company, the Fiscal Agent will:

- (a) receive requests to effect exchanges of the Global Note to Definitive Notes;
- (b) maintain a record of the Global Note and the certificate number or numbers of all Definitive Notes delivered hereunder;
- (c) carry out such other acts as may be necessary to give effect to the terms and conditions of the Notes with respect to payment, transfer, cancellation and replacement, including (i) retaining Forms W-9, W-8BEN, W-8ECI, W-8IMY or other appropriate tax certification provided by or on behalf of the Noteholders necessary to exempt such Noteholders from withholding tax under the Internal Revenue Code of 1986, as amended, (ii) preparing and mailing to Noteholders and (iii) filing with the U.S. Internal Revenue Service any applicable forms or reports with respect to any payment made by the Fiscal Agent hereunder. The Fiscal Agent shall withhold and remit any withholding tax required to be withheld from any payments to Noteholders who have not supplied the required certification specified in subclause (i) above;
- (d) if any Note is mutilated or defaced or is apparently destroyed, lost or stolen, replace such Note at a specified office of any Paying Agent, subject to all applicable laws and stock exchange

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requirements, upon payment by the claimant of the expenses incurred in connection therewith and on such terms and with such indemnity as the Company and the Fiscal Agent may require (mutilated or defaced Notes must be surrendered before replacements will be issued); and

- (e) upon and in accordance with the instructions, and at the expense, of the Company received at least 10 days before the proposed publication date, arrange for the publication of any notice which is to be given to the Noteholders and supply a copy thereof to each other Paying Agent, Euroclear, Clearstream and, so long as the Notes are listed thereon, the Irish Stock Exchange.

13. LIABILITY

Neither the Agents nor their officers or employees shall be liable for any act or omission hereunder except in the case of gross negligence or willful default. The duties and obligations of the Agents and their officers and employees shall be determined by the express provisions of this Agreement and they shall not be liable except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants shall be read into this Agreement against them. The Agents shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Company, or any Note, form of transfer, resolution, direction, consent, certificate, affidavit, statement, facsimile transmission, electronic message or other paper or document reasonably believed by it, acting in good faith, to be genuine and to have been delivered, signed or sent by the proper party or parties. The Agents may consult with counsel and shall be fully protected in any action reasonably taken, omitted or suffered in good faith in accordance with the advice of counsel. Neither the Agents nor their officers or employees shall be required to ascertain whether any issuance or sale of Notes (or any amendment or termination of this Agreement) have been duly authorized or are in compliance with any other agreement to which the Company is a party (whether or not the Agents are also a party to such other agreement).

14. INDEMNIFICATION BY COMPANY

The Company agrees to indemnify and hold harmless each Agent and each of its respective directors, officers, employees and agents from and against any and all liabilities (including liability for penalties), losses, claims, damages, actions, suits, judgments, demands, costs and expenses (including legal fees and expenses) relating to or arising out of or in connection with its or their respective performance under this Agreement, except to the extent that they are caused by the gross negligence or willful default of each such Agent or the directors, officers, employees and agents of each such Agent. The foregoing indemnity includes, but is not limited to, any action taken or omitted in good faith within the scope of this Agreement upon telephone, telecopier or other electronically transmitted instructions, if authorized herein, received from or believed by the Agents in good faith to have been given by, an Authorized Representative. This indemnity shall survive the resignation or removal of any Agent and the expiry or termination of this Agreement.

15. INDEMNIFICATION BY THE AGENTS

Each Agent agrees severally to indemnify and hold harmless the Company, its directors, officers, employees and agents from and against any and all liabilities (including liability for penalties), losses, claims, damages, actions, suits, judgments, demands, costs and expenses (including legal fees and expenses) relating to or arising out of or in connection with its performance, in any capacity, under this Agreement, to the extent that they are caused by the gross negligence or willful default of such Agent. Each Agent shall have no liability whatsoever for any consequential loss (being loss of business, goodwill, opportunity or profit) of any kind whatsoever. This indemnity shall survive the resignation or removal of any Agent and the expiry or termination of this Agreement.

16. COMPENSATION OF THE AGENTS

The Company agrees to pay the compensation of each Agent at such rates as shall be agreed upon from time to time and to reimburse each Agent for out-of-pocket expenses (including costs of preparation of the Notes and legal fees and expenses), disbursements and advances incurred or made in accordance with any provisions of this Agreement. The obligations of the Company to each Agent pursuant to this Clause 16 shall survive the resignation or removal of any Agent and the expiry or termination of this Agreement.

17. MEETINGS OF THE NOTEHOLDERS

Attached hereto as Schedule 2 are the provisions for meetings of the Noteholders. A Paying Agent shall, at the request of any Noteholder, issue Voting Certificates and Block Voting Instructions as defined in and in a form and manner which comply with the provisions of Schedule 2 (Provisions for Meetings of the Noteholders) (except that it shall not be required to issue the same less than 48 hours before the time fixed for any Meeting provided for therein). Such Paying Agent shall keep a full record of Voting Certificates and Block Voting Instructions issued by it and shall give to the Company, not less than 24 hours before the time appointed for any Meeting, full particulars of all Voting Certificates and Block Voting Instructions issued by it in respect of such Meeting. The terms used in this Clause 17 but not otherwise defined shall have the meaning given to them in Schedule 2 to this Agreement.

18. NOTICES

18.1 All communications by or on behalf of the Company relating to the issuance, transfer, exchange or payment of Notes or interest thereon shall be directed to the Fiscal Agent at its address set forth in subclause 18.2(b) hereof (or such other address as the Fiscal Agent shall specify in writing to the Company).

18.2 Notices and other communications hereunder shall (except to the extent otherwise expressly provided) be in writing and shall be addressed as follows, or to such other addresses as the parties hereto shall specify from time to time:

(a) if to the Company:
Manpower Inc.
5301 North Ironwood Road
Milwaukee, WI 53201-2053
Attention: Michael J. Van Handel, Chief Financial Officer
Fax no: +414 961 7081
Attention: Lesley A. Noer, Treasurer
Fax no: +414 906 7875

(b) if to the Fiscal Agent:
Citibank, N.A.
21st Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
Attention: Agency and Trust, Bond Desk
Fax no: +44 20 7508 3872/3878

(c) if to the Irish Paying Agent:
Citibank International plc
1 North Wall Quay
Dublin 1, Ireland
Attention: Global Securities Services
Fax no: +353 1 622 2222

19. RESIGNATION OR REMOVAL OF THE AGENTS

The Agents may at any time resign from their respective roles by giving written notice to the Company of such intention on their part, specifying the date on which its desired resignation shall become effective; **provided, however**, that such date shall be not less than 30 days after the giving of such notice by the Agents to the Company. The Agents may be removed at any time, with not less than 30 days' notice, by the filing with them of an instrument in writing signed by a duly authorized officer of the Company and specifying such removal and the date upon which it is intended to become effective. Such resignation or removal shall take effect on the date of the appointment by the Company of a successor Agent and the acceptance of such appointment by such successor Agent. In the event of resignation by, or removal of, any of the Agents, if a successor Agent has not been appointed by the Company by the tenth day before the expiry of any notice given by such Agent or the Company, the Agent may itself appoint as its replacement any reputable and experienced financial institution. Immediately following such appointment, Agent shall give notice of such appointment to the Company, the remaining Agents and the Noteholders, whereupon the Company, the remaining Agents and the replacement Agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

20. BENEFIT OF AGREEMENT

This Agreement is solely for the benefit of the parties hereto, their successors, assigns and any additional agents appointed in accordance with Clause 19 above and no other person shall acquire or have any right under or by virtue hereof.

21. NOTES HELD BY A PAYING AGENT

Each Agent, in its individual or other capacity, may become the owner or pledgee of the Notes with the same rights it would have if it were not acting as fiscal and/or paying agent hereunder and may engage or be interested in any financial or other transaction with the Company and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or other obligations of the Company as freely as if it were not appointed hereunder.

22. CHANGE OF CONTROL

22.1 Change of Control Triggering Event

If the Company experiences both a Change of Control and a Rating Decline (each as defined below and together, a **Change of Control Triggering Event**), each Noteholder will have the right to require the Company to repurchase all or any part of such Noteholder's Notes at a purchase price in cash equal to the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest on the Notes repurchased to the date of purchase (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date); **provided, however**, that the Company shall not be obliged to repurchase Notes in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes or all conditions to such redemption have been satisfied or waived.

22.2 Change of Control Procedures

Unless the Company has unconditionally exercised its right to redeem all the Notes or all conditions to such redemption have been satisfied or waived, no later than the date that is 30 days after any Change of Control Triggering Event, the Company will mail a notice (the **Change of Control Offer**) to each Noteholder, with a copy to the Fiscal Agent:

- (a) stating that a Change of Control Triggering Event has occurred and that such Noteholder has the right to require the Company to purchase such Noteholder's Notes at a purchase price in cash equal to the aggregate principal amount of such Notes plus accrued and unpaid interest to the date of purchase (subject to the right of the Noteholders of record on a record date to receive interest on the relevant interest payment date) (the **Change of Control Payment**);
- (b) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the **Change of Control Payment Date**);
- (c) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control Triggering Event;
- (d) describing the procedures determined by the Company, consistent with this Agreement, that a Noteholder must follow in order to have its Notes repurchased; and
- (e) if such notice is mailed prior to the occurrence of a Change of Control Triggering Event, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control Triggering Event.

On the Change of Control Payment Date, the Company will, to the extent lawful:

- (i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (ii) deposit with the principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered;
- (iii) deliver or cause to be delivered to the Fiscal Agent the Notes properly accepted and an officer's certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company in the Change of Control Offer;
- (iv) deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Company; and
- (v) deliver, or cause to be delivered, to the Registrar for cancellation all Definitive Notes accepted for purchase by the Company.

22.3 Definitive Notes

If any Definitive Notes have been issued, the principal Paying Agent will promptly mail to each Noteholder of Definitive Notes properly tendered the Change of Control Payment for such Notes, and the Fiscal Agent will promptly authenticate and the Registrar will mail (or cause to be transferred by book entry) to each Noteholder of the Definitive Notes a new Note equal in principal amount to the

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unpurchased portion of the Notes surrendered, if any; **provided** that each such new Note will be in a principal amount that is at least €50,000 and an integral multiple of €1,000 in excess thereof.

22.4 Notice to the Irish Stock Exchange

For so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of such exchange so require, the Company will give notice with respect to the results of the Change of Control Offer to the Companies Announcement Office in Dublin.

22.5 Applicability

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of this Agreement are applicable.

22.6 Compliance with the Exchange Act

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the United States Securities Exchange Act of 1934 and any other securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of this Agreement, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of this Agreement by virtue of such compliance.

22.7 Change of Control Definitions

For the purposes of this clause, the defined terms not otherwise defined in any other clause of this Agreement have the following meaning:

- (a) **Change of Control** refers to (i) the acquisition by any person, or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time, directly or indirectly, of more than 50% of the Company's outstanding common stock, (ii) the approval by the Company's shareholders who hold more than 50% of the Company's outstanding common stock of a merger or consolidation with any other entity or (iii) the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the property or assets of the Company and its Subsidiaries taken as a whole to a person or group of persons.
- (b) **Rating Agencies** means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Notes, any other Nationally Recognized Statistical Rating Organization that assigns a rating to the Notes in lieu of the ratings by Moody's or S&P.
- (c) **Rating Date** means the date which is 90 days prior to the earlier of:
 - (i) a Change of Control, and
 - (ii) public notice of the occurrence of a Change of Control or of the intention of the Company to effect a Change of Control.
- (d) **Rating Decline** means the occurrence of the following on, or within 60 days after, the earlier of the date of public notice of the occurrence of a Change of Control or of the intention of the

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Company to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies):

- (i) in the event the Notes are assigned an Investment Grade Rating by both Rating Agencies on the Rating Date, the rating of the Notes by one of the Rating Agencies shall be below an Investment Grade Rating; or
 - (ii) in the event the Notes are rated below an Investment Grade Rating by at least one of the Rating Agencies on the Rating Date, the rating of the Notes by at least one of the Rating Agencies shall be decreased by one or more gradations (including gradations within rating categories as well as between rating categories).
- (e) **Investment Grade Rating** means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB – (or the equivalent) by S&P.
- (f) **Moody's** means Moody's Investors Service, Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.
- (g) **Nationally Recognized Statistical Rating Organization** means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.
- (h) **S&P** means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

23. COUNTERPARTS

This Agreement may be executed by the parties hereto in any number of counterparts, and by each of the parties hereto in separate counterparts, and each such counterpart, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

24. GOVERNING LAW

This Agreement is to be delivered and performed in, and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York.

25. SUBMISSION TO NEW YORK JURISDICTION

The Agents and the Company hereby irrevocably submit to the nonexclusive jurisdiction of any New York State or United States Federal court sitting in New York City over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. The Agents and the Company irrevocably waive, to the fullest extent permitted by law, any objection which they may have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. As long as any of the Notes remain outstanding, the Company and the Agents will at all times have an authorized agent in New York City, upon whom process may be served in any suit, action or proceeding arising out of or relating to this Agreement or any Notes. Service of process upon such agent and written notice of such service mailed or delivered to the Company shall to the extent permitted by law be deemed in every respect effective service of process upon the Company in any such suit, action or proceeding. The Company hereby appoints CT Corporation System, 111 Eighth Avenue, New York,

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New York 10011 as its agent for such purpose, and covenants and agrees that (a) service of process in any such suit, action or proceeding may be made upon it at the specified office of such agent (or such other address or at the office of any other authorized agent which the Company may designate by written notice to the Agents) and (b) prior to any termination of such agency for any reason, it will so appoint a successor thereto as agent hereunder. The Agents hereby appoint Citibank, N.A., New York Branch, Agency & Trust, 14th Floor, 388 Greenwich Street, New York, New York 10013 as its agent for such purpose, and covenant and agree that (i) service of process in any such suit, action or proceeding may be made upon it at the specified office of such agent (or such other address or at the office of any other authorized agent which the Agents may designate by written notice to the Company) and (ii) prior to any termination of such agency for any reason, it will so appoint a successor thereto as agent hereunder.

26. MODIFICATION OF AGREEMENT AND NOTES

This Agreement or the terms and conditions of the Notes may be amended by the Company and the Fiscal Agent, without the consent of the Noteholders, for the purposes of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained therein or for any other purpose which the Company and the Fiscal Agent may deem necessary or desirable and which will not be inconsistent with the Notes and which will not adversely affect the interests of the Noteholders, in the sole opinion of the Company.

IN WITNESS whereof, the parties hereto have caused this Agreement to be executed on their behalf by their officers thereunto duly authorized, all as of the day and year first above written.

**SCHEDULE 1
FORM OF NOTE**

[Include if this is a Global Note: UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR BANK SA/NV (**EUROCLEAR**), OR CLEARSTREAM BANKING, SOCIÉTÉ ANONYME (**CLEARSTREAM**), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF ITS AUTHORIZED NOMINEE OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE FISCAL AND PAYING AGENCY AGREEMENT REFERRED TO ON THE REVERSE HEREOF.]

UNTIL 40 DAYS AFTER THE LATER OF THE DAY ON WHICH THE NOTES ARE FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S) AND THE DATE OF THE CLOSING OF THE OFFERING OF THE NOTES, AN OFFER OR SALE OF THE NOTES WITHIN THE UNITED STATES (AS DEFINED IN THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE U.S. **SECURITIES ACT**)) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE U.S. SECURITIES ACT (**REGULATION S**), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT WILL NOT PRIOR TO (X) THE DATE WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS NOTE) OR THE LAST DAY ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WERE THE OWNERS OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW (THE **RESALE RESTRICTION TERMINATION DATE**), OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE

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REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT THE COMPANY, THE FISCAL AGENT, THE REGISTRAR AND THE TRANSFER AGENT SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO SUBCLAUSE (C) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S OR PURSUANT TO SUBCLAUSE (D) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, THE FISCAL AGENT, THE REGISTRAR AND THE TRANSFER AGENT IS COMPLETED AND DELIVERED BY THE TRANSFEROR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS **OFFSHORE TRANSACTION**, **UNITED STATES** AND **U.S. PERSON** HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S.

THIS NOTE MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (I) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (II) OTHERWISE UNTIL 40 DAYS AFTER THE LATER OF THE DATE OF THE COMMENCEMENT OF THE OFFERING AND THE DATE OF ORIGINAL ISSUANCE, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

[Include if this is a Definitive Note: IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]

MANPOWER INC.
[GLOBAL NOTE]
4.75% NOTES DUE JUNE 14, 2013

Common Code No. [·]
ISIN No. [·]
[·]

No.[·]

MANPOWER INC., a Corporation organized under the laws of the State of Wisconsin (the **Company**), for value received, hereby promises to pay to [Citicic Nominees Limited], or its registered assigns, the principal sum of €[·] on [June 14, 2013].

Interest Payment Date: [June 14].

Record Date: [·].

Additional provisions of this Note are set forth on the other side of this Note.

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: June 14

MANPOWER INC.,

by

Authorized Officer

ATTEST:

Secretary

[Seal]

CERTIFICATE OF AUTHENTICATION

This is [a Definitive Note][the Global Note] described in the within-mentioned Fiscal and Paying Agency Agreement.

CITIBANK, N.A.
as Fiscal Agent,

by

Authorized Officer

TERMS AND CONDITIONS OF THE NOTES

1. GENERAL

- 1.1 This Note is one of a duly authorized issue of debt securities of the Company, designated as its 4.75% Notes due June 14, 2013 limited to the aggregate principal amount of €200,000,000 (except as otherwise provided below) and issued or to be issued pursuant to a Fiscal and Paying Agency Agreement (the **Fiscal and Paying Agency Agreement**) dated as of June 14, 2006 between the Company and Citibank, N.A., as fiscal and principal paying agent (the **Fiscal Agent**, which term shall include its successors and assigns as such Fiscal Agent), which also acts as registrar and transfer agent, and Citibank International plc as additional paying agent (the **Irish Paying Agent** and together with the Fiscal Agent the **Paying Agents**). The holders of the Notes (the **Noteholders**) will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Fiscal and Paying Agency Agreement. A copy of the Fiscal and Paying Agency Agreement is on file and may be inspected at the offices of the Paying Agents referred to below. Unless otherwise stated, terms used but not defined herein shall have the meaning assigned to them in the Fiscal and Paying Agency Agreement.
- 1.2 The Notes are direct unsecured obligations of the Company and rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Company.
- 1.3 THE NOTES ARE NOT DEPOSITS INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

2. DENOMINATIONS; TRANSFER; EXCHANGE

- 2.1 The Notes are in registered form without interest coupons in minimum denominations of €50,000 principal amount and integral multiples of €1,000 in excess thereof. A Noteholder may transfer or exchange the Notes in accordance with the Fiscal and Paying Agency Agreement. In connection with any such transfer or exchange, the Fiscal and Paying Agency Agreement will require the transferring or exchanging Noteholder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Noteholder, other than any taxes, duties and governmental charges payable in connection with such transfer.
- 2.2 Notwithstanding the foregoing, the Company is not required to register the transfer or exchange of any Notes: (a) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes; (b) for a period of 15 calendar days prior to the record date with respect to any interest payment date; or (c) which the Noteholder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Triggering Event.

3. PERSONS DEEMED OWNERS

The registered Noteholder of this Note will be treated as the owner of it for all purposes.

4. METHOD OF PAYMENT

Noteholders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in Euros or such other lawful currency of the participating Member States in

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the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by the Global Note (including principal, premium and interest) will be made by wire transfer of immediately available funds to the accounts specified by Euroclear or Clearstream. The Company will make all payments in respect of a Definitive Note (including principal, premium and interest) by mailing a check to the registered address of each Noteholder thereof; **provided, however**, that payments on a Definitive Note will be made by wire transfer if such Noteholder elects payment by wire transfer by giving written notice to the Fiscal Agent or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Fiscal Agent may accept in its discretion).

5. PAYING AGENT, TRANSFER AGENT AND REGISTRAR

- 5.1 Initially, Citibank, N.A. will act as principal Paying Agent, Transfer Agent and Registrar. The Company may appoint and change any Paying Agent, Transfer Agent or Registrar without notice. The Company or any of its Subsidiaries may act as Paying Agent (other than with respect to Global Notes) or Registrar.
- 5.2 So long as the Notes are listed on the Official List of, or admitted to trading on, the Irish Stock Exchange and the rules thereof so require, the Company shall maintain, at all times that payments are required to be made in respect of the Notes, a paying agent in Dublin, Ireland. Initially, Citibank International plc will act as Irish Paying Agent.

6. UNCLAIMED MONEY

If money for the payment of principal or interest remains unclaimed for two years, the Fiscal Agent or Paying Agents shall pay the money back to the Company at its written request unless an applicable abandoned property law designates another person. After any such payment, Noteholders entitled to the money must look to the Company for payment as general creditors and the Fiscal Agent and the Paying Agents shall have no further liability with respect to such moneys.

7. INTEREST

The Notes will bear interest from June 14, 2006 (the **Issue Date**) until maturity, unless previously redeemed. Interest on the Notes will be payable annually in arrears on June 14 each year, commencing June 14, 2007. Whenever it is necessary to compute any amount of interest in respect of the Notes for a period of less than a full year, such interest shall be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of those days elapsed fall in a leap year, the sum of (a) the number of those days falling in a leap year divided by 366 and (b) the number of those days falling in a non-leap year divided by 365).

8. ADDITIONAL AMOUNTS

- 8.1 All payments of principal and interest on the Notes will be made without deduction or withholding for or on account of any present or future tax, assessment or other governmental charge, of whatever nature, imposed or levied by or within the United States or by or within any political subdivision or taxing authority thereof or therein, except as required by law. The Company will, subject to the exceptions and limitations set forth below, pay as additional interest (**Additional Amounts**) to the Noteholder of any Note who is a United States Alien (as defined below) such amounts as may be necessary so that every net payment by the Company or any of its Paying Agents on such Note, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon such Noteholder or as a result of such payment by or within the United States (as defined below) (or any

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political subdivision or taxing authority thereof or therein), will not be less than the amount provided for in such Note to be then due and payable. However, the Company will not be required to make any payment of Additional Amounts for or on account of:

- (a) any tax, assessment or other governmental charge that would not have been so imposed but for (i) the existence of any present or former connection between such Noteholder (or between a fiduciary, settlor or, beneficiary of, or a person holding a power over, such Noteholder, if such Noteholder is an estate or a trust, or a member or shareholder of such Noteholder, if such Noteholder is a partnership or a corporation) and the United States, including, without limitation, such Noteholder (or such fiduciary, settlor, beneficiary of, person holding a power, member or shareholder), being or having been a citizen or resident or treated as a resident thereof, or being or having been engaged in a trade or business within the United States or present therein or having, or having had, a permanent establishment therein, or (ii) the presentation by or on behalf of the Noteholder of a Note for payment more than 15 days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurs later;
- (b) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge;
- (c) any tax, assessment or other governmental charge that would not have been imposed but for such Noteholder's past or present status as a personal holding company, foreign personal holding company, controlled foreign corporation, passive foreign investment company or foreign private foundation or other tax exempt organization with respect to the United States or as a corporation that accumulates earnings to avoid United States Federal income tax;
- (d) any tax, assessment or other governmental charge that is payable otherwise than by deduction or by withholding from a payment on a Note;
- (e) any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from any payments on a Note if such payment can be made without such deduction or withholding by any other Paying Agent;
- (f) any tax, assessment or other governmental charge that would not have been imposed but for the failure to comply with any applicable certification, information, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the Noteholder or beneficial owner of a Note if, without regard to any tax treaty, such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge; or
- (g) any tax, assessment or other governmental charge imposed by reason of the Noteholder (i) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote or (ii) being a controlled foreign corporation with respect to the United States that is related to the Company by actual or constructive stock ownership,

nor shall such Additional Amounts be paid with respect to any payment on a Note to a Noteholder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Noteholder of such Note.

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- 8.2 The term **United States** means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction. The term **United States Alien** means any person who, for United States Federal income tax purposes is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States Federal income tax purposes, a foreign corporation, a non-resident alien individual, or a non-resident alien fiduciary of a foreign estate or trust.
- 9. REDEMPTION**
- 9.1 The Notes will mature at par on June 14, 2013. Except as provided below and in the Fiscal and Paying Agency Agreement, the Notes may not be redeemed prior to maturity.
- 9.2 The Notes will be redeemable, in whole but not in part, at the Company's option, at any time at a redemption price equal to the greater of (a) 100% of the principal amount of such Notes or (b) as determined by the Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the redemption date on an annual basis (based on the actual number of days elapsed divided by 365 (or, if any of those days elapsed fall in a leap year, the sum of (i) the number of those days falling in a leap year divided by 366 and (ii) the number of those days falling in a non-leap year divided by 365)) at the Reference Dealer Rate (as defined below), plus 0.15%, plus in each case, accrued interest thereon to the date of redemption.
- Business day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments in that place.
- Quotation Agent** means the Reference Dealer (as defined below).
- Reference Dealer** means Citigroup Global Markets Limited, Goldman Sachs International and J.P. Morgan Securities Ltd. or their respective successors.
- Reference Dealer Rate** means, with respect to the Reference Dealers and any redemption date, the average of the three quotations of the average midmarket annual yield to maturity of the Bundesrepublik Deutschland 4.5% due January 2013 or, if that security is no longer outstanding, a similar security in the reasonable judgment of each Reference Dealer, at 11.00 a.m. (London time) on the third business day in London preceding such redemption date quoted in writing to the Fiscal Agent by the Reference Dealers.
- 9.3 Notice of any redemption will be given to the Noteholders at least 30 days but not more than 60 days before the redemption date.
- 9.4 Unless the Company defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes called for redemption.
- 9.5 If, in the written opinion of independent counsel chosen by the Company, there is a substantial probability that the Company has or will become obligated to pay additional interest on the Notes as described under **Additional Amounts** above, as a result of any of the following events occurring on or after June 14, 2006:
- (a) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or any

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change in official position regarding the application or interpretation of such laws, regulations or rulings,

- (b) any action taken by a taxing authority of the United States or any political subdivision thereof or therein affecting taxation, which action is generally applied or is taken with respect to the Company,
- (c) a decision rendered by a court of competent jurisdiction in the United States or any political subdivision thereof or therein, whether or not such decision was rendered with respect to the Company,
- (d) a private letter ruling or technical advice memorandum issued by the National Office of the United States Internal Revenue Service on substantially the same facts as those affecting the Company, or
- (e) any change, amendment, application, interpretation or execution of the laws of the United States (or any regulations or rulings promulgated thereunder) shall have been officially proposed, and the Company determines that such obligation cannot be avoided by the use of reasonable measures then available to the Company, and the Company determines that such obligation cannot be avoided by the use of reasonable measures then available to the Company, then the Company may, at its option, upon not less than 30 nor more than 60 days' prior notice to the Noteholders for the time being of the Notes redeem the Notes in whole, but not in part, as a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obligated to pay such additional interest were a payment in respect of the Notes due on such date and, at the time such notification of redemption is given, such obligation to pay such additional interest remains in effect. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Fiscal Agent (i) a certificate stating that the Company is entitled to effect such redemption and that the conditions precedent to the right of the Company to so redeem have occurred and (ii) an opinion of independent counsel chosen by the Company to the effect that there is a substantial probability that the Company has or will become obligated to pay additional interest on the Notes.

9.6 Notice of redemption of the Notes shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Fiscal and Paying Agency Agreement. Notice having been given, the Notes shall (except as otherwise provided in Clause 9.5 above) become due and payable on the date fixed for redemption and (upon presentation and surrender thereof) will be paid at the redemption price, together with Additional Amounts, if any, and accrued interest to the date fixed for redemption at the place or places of payment and in the manner specified herein.

9.7 The Company may at any time purchase Notes in the open market or otherwise at any price. Any purchase by tender offer shall be made available to all Noteholders alike. The Notes so purchased, while held by or on behalf of the Company, shall not entitle the Noteholder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of the provisions of Clause 14 below.

9.8 All Notes redeemed or purchased by the Company (other than any Notes purchased in the ordinary course of business of dealing in securities) will be canceled and may not be re-issued or resold.

10. EVENTS OF DEFAULT

- 10.1 The occurrence of any of the following events shall constitute an event of default (herein referred to as an **Event of Default**) hereunder with respect to the Notes:
- (a) default in the due and punctual payment of the principal of any Note as and when the same shall become due and payable; or
 - (b) default in the payment of any interest or any Additional Amounts as and when the same shall become due and payable, which continues for a period of 30 days; or
 - (c) default on the part of the Company in the performance or observation of any other term, covenant or agreement on its part in the Notes or in the Fiscal and Paying Agency Agreement, which continues for a period of 30 days after the date on which written notice, by registered or certified mail, of such failure requiring the Company to remedy the same shall have been received by the Company from the Noteholders of at least 25% in aggregate principal amount of the Notes then outstanding, specifying such failure and requiring the same to be remedied and stating that such is a “notice of default” hereunder; or
 - (d) the Company fails to fulfill within 30 days from its due date, as extended by any applicable grace or cure period, any payment obligation under any existing Debt (as defined in Clause 11 below) except if the aggregate amount of all such Debt would not exceed 10% of Consolidated Net Assets (as defined in Clause 11 below) of the Company; or
 - (e) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency proceedings, readjustment of debt, marshaling of assets and liabilities or similar proceedings of the Company or of all or substantially all of its property, or for the winding-up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or
 - (f) the Company shall have consented to the appointment of a conservator or receiver or liquidator, in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of the Company or of all or substantially all of its property; or
 - (g) the Company shall have filed a petition to take advantage of any applicable insolvency or reorganization statute or voluntarily generally suspended payment of its obligations; or
 - (h) failure to provide a notice to Noteholders in the event of a Change in Control Triggering Event or failure to make the Change of Control Payment.
- 10.2 In case one or more of the Events of Default specified above shall have occurred and be continuing with respect to the Notes, any Noteholder, by written notice to the Company and the Fiscal Agent, may identify the applicable Event or Events of Default, declare the principal of its Note or Notes, together with accrued interest and additional amounts, if any, to be due and payable immediately, whereupon such amounts shall become due and payable immediately, unless prior to the receipt of such notice by the Company all such Events of Default have been cured. In case a Noteholder shall have proceeded to enforce any right as set forth herein and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to such Noteholder, then and in every such case the Company and such Noteholder shall be restored to their respective several positions and rights hereunder, and all rights, remedies and powers of the Company and such Noteholder shall continue as

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though no such proceeding had been taken. Upon any such declaration being made, interest shall continue to accrue on the Note or Notes affected by such declaration until the Notes shall be paid in full or until the seventh day after the date upon which notice is duly given to the applicable Noteholders in accordance with the provisions of Clause 17 below that the principal amount of such Notes together with accrued interest and additional amounts thereon have been duly paid in full to the Fiscal Agent (provided that sufficient funds have actually been received and are available for such purpose), whichever is earlier.

- 10.3 The Noteholder of this Note shall be entitled to file such proof of claim, amendment of proof of claim, claim, petition or other document as may be necessary or advisable in order to have the claims of such Noteholder allowed in any insolvency proceedings, receivership, conservatorship, reorganization, readjustment of debt, marshaling of assets and liabilities, liquidation, winding-up or other similar proceedings of the Company as a whole or affecting its property.

11. COVENANTS OF THE COMPANY

- 11.1 Except as permitted under the Five-Year Credit Agreement dated as of 8 October 2004 among the Company, as Borrower, and the initial lenders therein and Citibank N.A. as Administrative Agent, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part, on an unsecured basis, from time to time, the Company will not pledge, mortgage, encumber or otherwise grant, or permit any of its Subsidiaries to pledge, mortgage, encumber or otherwise grant, a security interest in any properties or assets owned by the Company or any of its Subsidiaries to secure Debt without securing the Notes equally and ratably with all Debt secured by such security interest, unless, after giving effect thereto, the aggregate amount of all such other Debt would not exceed 10% of Consolidated Net Assets of the Company (**Excluded Debt**). The term **Debt** means indebtedness for money borrowed or evidenced by bonds, notes, debentures or other debt securities and which is reflected as a liability on the consolidated balance sheet, at the date of issuance, of the Company and its Subsidiaries in accordance with generally accepted accounting principles as in effect in the United States on the date hereof. The term **Consolidated Net Assets** means the total assets appearing on the most recently prepared consolidated balance sheet of the Company and its Subsidiaries as at the end of the fiscal quarter of the Company, prepared in accordance with generally accepted accounting principles in the United States, less all current liabilities (due within one year) as shown on such balance sheet.
- 11.2 Sale and leaseback transactions by the Company or any Subsidiary of any Principal Property (as defined below) (except for temporary leases for a term of not more than three years and except for leases between the Company and a Subsidiary or between Subsidiaries) are prohibited unless (a) the Company or such Subsidiary would be entitled to issue, assume or guarantee Debt secured by the property involved at least equal in amount to the Attributable Debt (as defined below) in respect of such transaction without equally and ratably securing the Notes (provided that such Attributable Debt shall thereupon be deemed to be Debt subject to the provisions of the preceding paragraph) or (b) an amount in cash equal to such Attributable Debt is applied to the retirement (other than any mandatory retirement) of long-term non-subordinated Debt of the Company or long-term Debt of a Subsidiary. **Attributable Debt** means the present value (discounted at an appropriate rate) of the obligation of a lessee for rental payments during the remaining term of any lease.
- 11.3 The term **Subsidiary** means any corporation, association, or other business entity which is consolidated in the Company's accounts and any corporation, association, or other business entity of which at least a majority of the outstanding stock or ownership units having voting power under ordinary circumstances to elect a majority of the board of directors, managers or trustees or equivalents thereof of said corporation, association, or other business entity shall at the time be owned by the Company or by the Company and one or more Subsidiaries or by one or more Subsidiaries. The term **Principal Property**

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means any office or facility which is owned by the Company or any Subsidiary, unless the Board of Directors of the Company (or any duly authorized committee thereof) by resolution declares that such office or facility, together with all other office and facilities previously so declared, is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

12. CHANGE OF CONTROL

Upon the occurrence of a Change of Control Triggering Event, the Company will offer to repurchase all outstanding Notes at a purchase price in cash equal the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest on the Notes repurchased to the date of purchase (subject to the right of the Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Fiscal and Paying Agency Agreement.

13. REPLACEMENT, EXCHANGE AND TRANSFER OF NOTES

In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Company in its discretion may execute, and, upon the written request of the Company, the Fiscal Agent shall authenticate and deliver, all at the expense of the Noteholder, a new Note bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note (and upon surrender thereof, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note). In every case the applicant for a substitute Note shall furnish to the Company and to the Fiscal Agent such security or indemnity as may be required by them to indemnify and defend and to hold each of them and any agent of the Company or the Fiscal Agent harmless and, in every case of destruction, loss or theft evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substitute Note, the Company may require the payment of a sum sufficient to cover any tax or other governmental or insurance charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Fiscal Agent) connected therewith. Mutilated or defaced Notes must be surrendered before a replacement will be issued.

14. MODIFICATIONS AND AMENDMENTS; WAIVER

14.1 The Fiscal and Paying Agency Agreement or the terms and conditions of the Notes may be amended by the Company and the Fiscal Agent, without the consent of the Noteholder of any Note, for the purposes of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained therein or herein or for any other purpose which the Company and the Fiscal Agent may deem necessary or desirable and which will not be inconsistent with the Notes and which will not adversely affect the interests of the Noteholders, in the sole opinion of the Company.

14.2 The terms of Schedule 2 of the Fiscal and Paying Agency Agreement for meetings or actions of Noteholders, including the modification of any provisions of the Notes, are incorporated herein.

14.3 No provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the places, at the respective times, at the rate and in the coin or currency herein prescribed, subject only to the provisions for the modifications set forth in Schedule 2 of the Fiscal and Paying Agency Agreement.

15. NON-BUSINESS DAY

If the date for payment on any Note is not a business day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following business day nor to any further interest or

other payment in respect of such delay. For these purposes, **business day** means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a euro account, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is operating.

16. FISCAL AGENT

In acting under the Fiscal and Paying Agency Agreement and in connection with the Notes, the Fiscal Agent is acting solely as agent of the Company and does not assume any obligation towards or relationship of agency or trust for or with the Noteholders, except that any funds held by the Fiscal Agent for payment of principal of or interest on, or Additional Amounts with respect to, any Note shall be held in trust by it and applied as set forth herein, but need not be segregated from other funds held by it, except as required by law. For a description of the duties and the immunities and rights of the Fiscal Agent under the Fiscal and Paying Agency Agreement, reference is made to the Fiscal and Paying Agency Agreement, and the obligations of the Fiscal Agent to the Noteholders of the Notes are subject to such immunities and rights.

17. NOTICES

17.1 While any Notes are represented by one or more Global Notes, all notices to Noteholders shall be delivered to Euroclear and Clearstream, as applicable, for communication to entitled account Noteholders. So long as the Notes are listed on the Official List of the Irish Stock Exchange and its rules so require, all notices to Noteholders will also be published by the Company by delivery to the Companies Announcement Office in Dublin. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Company may approve. In the case of Definitive Notes, notices will be mailed to Noteholders by first-class mail or other equivalent means at their respective addresses as they appear on the records of the Registrar.

17.2 If and so long as the Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange.

17.3 Notices given by publication will be deemed given on the first date on which publication is made. Notices delivered to Euroclear and Clearstream will be deemed given on the date when delivered. Notices given by first-class mail or other equivalent means will be deemed given seven days after mailing whether or not the addressee receives any such notice. Failure to mail a notice or communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

18. FURTHER ISSUES OF NOTES

The Company may from time to time without the consent of the Noteholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment or interest thereon) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Company may determine at the time of their issue. References herein to the Notes include (unless the context otherwise requires) any other securities issued pursuant to this clause and forming a single series with the Notes.

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19. GOVERNING LAW

The Notes shall be construed in accordance with and governed by the laws of the State of New York, United States of America.

20. AUTHENTICATION

No Note attached thereto shall become valid or obligatory until the certificate of authentication thereon shall have been duly signed by the Fiscal Agent acting under the Fiscal and Paying Agency Agreement.

21. WARRANTY OF THE COMPANY

Subject to Clause 20, the Company hereby certifies and warrants that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of the Notes and to constitute the same legal, valid and binding obligations of the Company enforceable in accordance with their terms, have been done and performed and have happened in compliance with all applicable laws.

22. ISINS AND COMMON CODES

The Company has caused ISINs and Common Codes to be printed on the Notes and has directed the Fiscal Agent to use ISINs and Common Codes in notices of redemption as a convenience to Noteholders. No representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption or repurchase, and reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Fiscal Agent of any change in the ISINs or Common Codes.

23. DESCRIPTIVE HEADINGS

The descriptive headings appearing in these Terms and Conditions are for convenience of reference only and shall not alter, limit or define the provisions hereof.

**FISCAL AGENT, REGISTRAR, TRANSFER AGENT AND
PRINCIPAL PAYING AGENT**

Citibank, N.A.

21st Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
England

IRISH PAYING AGENT

Citibank International plc

1 North Wall Quay
Dublin 1
Ireland

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint [] agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF NOTES

This certificate relates to € _____ principal amount of Notes held in (check applicable space) _____ book-entry or _____ definitive form by the undersigned.

The undersigned (check one box below):

- has requested the Fiscal Agent by written order to deliver in exchange for its beneficial interest in the Global Note held by the Depositary a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above); or
- has requested the Fiscal Agent by written order to exchange or register the transfer of a Note or Notes.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the date which is 40 days after the later of the date of original issuance of such Notes and the last date, if any, on which such Notes were owned by the Company or any affiliate of the Company or such later date as may be required by applicable law, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

- 1. to the Company; or
- 2. to the Registrar for registration in the name of the Holder, without transfer; or
- 3. pursuant to an effective registration statement under the Securities Act of 1933; or
- 4. pursuant to offers and sales to non-U.S. person that occur outside the United States within the meaning of Regulation S under the Securities Act of 1933; or
- 5. pursuant to another exemption from registration under the Securities Act of 1933.

Unless one of the boxes is checked, the Fiscal Agent and the Registrar will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Noteholder thereof; **provided, however**, that if box (4) or (5) is checked, the Fiscal Agent may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Fiscal Agent, Registrar or Company has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Your Signature

Signature Guarantee:

Date: _____

Signature of Signature Guarantee

SCHEDULE 2
PROVISIONS FOR MEETINGS OF THE NOTEHOLDERS

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PROVISIONS FOR MEETINGS OF THE NOTEHOLDERS

1. DEFINITIONS

In this Agreement and terms and conditions of the Notes, the following expressions have the following meanings:

Block Voting Instruction means, in relation to any Meeting, a document in the English language issued by the Registrar:

- (a) certifying (i) that certain specified Notes (the **Blocked Notes**) have been blocked in an account with a clearing system and will not be released until the conclusion of the Meeting and that the holder of each Blocked Note or a duly authorized person on its behalf has instructed the Registrar that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting; and/or (ii) that each registered holder of certain specified Notes (**Relevant Notes**) has instructed the Registrar that the votes attributable to each Relevant Note held by it are to be cast in a particular way on each resolution to be put to the Meeting and, in each case, that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (b) listing the total principal amount of the Blocked Notes and the Relevant Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (c) authorizing a named individual or individuals to vote in respect of the Blocked Notes and the Relevant Notes in accordance with such instructions;

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with Clause 8 hereof;

Extraordinary Resolution means a resolution passed at a Meeting duly convened and held in accordance with these provisions by a majority of not less than three quarters of the votes cast;

Form of Proxy means, in relation to any Meeting, a document in the English language available from the Registrar signed by a Noteholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorized officer and delivered to the Registrar no later than 48 hours before the time fixed for such meeting, appointing a named individual or individuals to vote in respect of the Notes held by such Noteholder.

Meeting means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

Proxy means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Registrar has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

Relevant Fraction means:

- (a) for all business other than voting on an Extraordinary Resolution, one tenth;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, one vote more than half; and
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, three quarters;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of the aggregate principal amount of the outstanding Notes represented or held by the Voters actually present at the Meeting; and
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one quarter;

Reserved Matter means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Company or any other person or body corporate formed or to be formed, including, without limitation, pursuant to a Change of Control;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

Voter means, in relation to any Meeting (a) a Proxy or (b) (subject to Clause 5 (Record Date) below) a Noteholder; **provided, however**, that, (subject to Clause 5 (Record Date) below) any Noteholder which has appointed a Proxy under a Block Voting Instruction or Form of Proxy shall not be a "Voter" except to the extent that such appointment has been revoked and the Registrar notified in writing of such revocation at least 48 hours before the time fixed for such Meeting;

Written Resolution means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

24 hours means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the relevant Meeting is to be held and in each of the places where each Paying Agent has its office as specified in Clause 18 of the Fiscal and Paying Agency Agreement (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be

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extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

48 hours means two consecutive periods of 24 hours.

2. ISSUE OF VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

The holder of an interest in a Note may require the Registrar to issue a Block Voting Instruction by arranging (to the satisfaction of the Registrar) for such Note to be blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. The registered holder of a Note may require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 48 hours before the time fixed for the relevant meeting. Any registered holder of a Note may obtain an uncompleted and unexecuted Form of Proxy from the Registrar. A Block Voting Instruction shall be valid until the release of Blocked Notes to which it relates. A Form of Proxy and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

3. REFERENCES TO BLOCKING/RELEASE OF NOTES

Where Notes are represented by Global Note Certificates and/or are held within a clearing system, references to the blocking, or release, of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

4. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND FORMS OF PROXY

Block Voting Instructions and Forms of Proxy shall be valid only if they are deposited at the office of the Registrar as specified in Clause 18 of the Fiscal and Paying Agency Agreement, or at some other place approved by the Registrar, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Registrar requires, a notarized copy of each Block Voting Instruction and Form of Proxy and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting. The Registrar shall not be obliged to investigate the validity of any Block Voting Instruction or Form of Proxy or the authority of any Proxy.

5. RECORD DATE

The Company may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum; provided that such record date is not more than 30 days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name a Note is registered in the Register on the record date at close of business in the city in which the Registrar has its office, as specified in Clause 18 of the Fiscal and Paying Agency Agreement, shall be deemed to be the holder of such Note for the purpose of such Meeting and notwithstanding any subsequent transfer of such Note or entries in the Register.

6. CONVENING OF MEETING

The Company may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes.

7. NOTICE

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Registrar (with a copy to the Company). The notice shall set out the full text of any resolutions to be proposed and shall state that the Notes may be blocked in clearing systems for the purposes of appointing Proxies under Block Voting Instructions until 48 hours before the time fixed for the Meeting and that Noteholders may also appoint Proxies either under a Block Voting Instruction by delivering written instructions to the Registrar or by executing and delivering a Form of Proxy to the office of the Registrar, as specified in Clause 18 of the Fiscal and Paying Agency Agreement, in either case until 48 hours before the time fixed for the Meeting.

8. CHAIRMAN

An individual (who may, but need not, be a Noteholder) nominated in writing by the Company may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Company may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

9. QUORUM

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Notes; **provided, however**, that, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Notes is represented by the Global Note Certificates or a single Individual Note Certificate, a single Vote appointed in relation thereto or being the holder of the Notes represented thereby shall be deemed to be two Voters for the purpose of forming a quorum.

10. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; **provided, however**, that:
 - (i) the Meeting shall be dissolved if the Company so decides; and
 - (ii) no Meeting may be adjourned more than once for want of a quorum.

11. ADJOURNED MEETING

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

Clause 7 shall apply to any Meeting which is to be resumed after adjournment for want of a quorum; provided, however, that:

- (a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

13. PARTICIPATION

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Company and the Registrar;
- (c) the financial advisers of the Company;
- (d) the legal counsel to the Company and the Registrar; and
- (e) any other person approved by the Meeting.

14. SHOW OF HANDS

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this clause shall not apply and the resolution will immediately be decided by means of a poll.

15. POLL

A demand for a poll shall be valid if it is made by the Chairman, the Company or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

16. VOTES

Every Voter shall have:

- (a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each €1,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way.

17. VALIDITY OF VOTES BY PROXIES

Any vote by a Proxy in accordance with the relevant Form of Proxy or Block Voting Instruction shall be valid even if such Form of Proxy or (as the case may be) Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, **provided** that the Registrar has not been notified in writing of such amendment or revocation by the time which is 48 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction or Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; **provided, however**, that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction Proxy or Form of Proxy to vote at the Meeting when it is resumed.

18. POWERS

A Meeting shall have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Company for any modification, abrogation, variation or compromise of any of the terms and conditions of the Notes or any arrangement in respect of the obligations of the Company under or in respect of the Notes;
- (c) to approve the substitution of any person for the Company (or any previous substitute) as principal obligor under the Notes;
- (d) to waive any breach or authorize any proposed breach by the Company of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an event of default under the Notes;
- (e) to authorize the Registrar or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (f) to give any other authorization or approval which is required to be given by Extraordinary Resolution; and
- (g) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

19. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS

An Extraordinary Resolution shall be binding upon all Noteholders whether or not present at such Meeting and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and the Paying Agents (with a copy to the Company) within 14 days of the conclusion of the Meeting.

20. MINUTES

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarized and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

SIGNATORIES

MANPOWER INC.

by

/s/ Michael J. Van Handel

Name: Michael J. Van Handel

Title: Executive Vice President, Chief Financial Officer and Secretary

CITIBANK, N.A.

by

/s/ Peter Larsen

Name: Peter Larsen

Title: Vice President

CITIBANK INTERNATIONAL PLC

by

/s/ Peter Larsen

Name: Peter Larsen

Title: Authorized Signatory

**STATEMENT REGARDING COMPUTATION
OF RATIO OF EARNINGS TO FIXED CHARGES**

MANPOWER INC.
(in millions)

	6 Months Ended June 30, 2006
Earnings:	
Earnings before income taxes	\$ 202.6
Fixed charges	80.2
	<u>\$ 282.8</u>
Fixed charges:	
Interest (expensed or capitalized)	\$ 24.7
Estimated interest portion of rent expense	55.5
	<u>\$ 80.2</u>
Ratio of earnings to fixed charges	<u>3.5</u>

	Years Ended December 31,				
	2005	2004	2003	2002	2001
Earnings:					
Earnings before income taxes	\$ 394.7	\$ 369.5	\$ 222.1	\$ 188.0	\$ 197.9
Fixed charges	153.4	153.2	125.0	116.5	107.4
	<u>\$ 548.1</u>	<u>\$ 522.7</u>	<u>\$ 347.1</u>	<u>\$ 304.5</u>	<u>\$ 305.3</u>
Fixed charges:					
Interest (expensed or capitalized)	\$ 46.7	\$ 45.4	\$ 41.4	\$ 42.4	\$ 39.1
Estimated interest portion of rent expense	106.7	107.8	83.6	74.1	68.3
	<u>\$ 153.4</u>	<u>\$ 153.2</u>	<u>\$ 125.0</u>	<u>\$ 116.5</u>	<u>\$ 107.4</u>
Ratio of earnings to fixed charges	<u>3.6</u>	<u>3.4</u>	<u>2.8</u>	<u>2.6</u>	<u>2.8</u>

Note: The calculation of ratio of earnings to fixed charges set forth above is in accordance with Regulation S-K, Item 601(b)(12). This calculation is different than the fixed charge ratio that is required by our various borrowing facilities.

CERTIFICATION

I, Jeffrey A. Joerres, Chairman and Chief Executive Officer of Manpower Inc., certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Manpower Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 2, 2006

/s/ Jeffrey A. Joerres

Jeffrey A. Joerres

Chairman, Chief Executive Officer

CERTIFICATION

I, Michael J. Van Handel, Executive Vice President and Chief Financial Officer of Manpower Inc., certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Manpower Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 2, 2006

/s/ Michael J. Van Handel

Michael J. Van Handel
Executive Vice President,
Chief Financial Officer

STATEMENT

Pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. ss. 1350, the undersigned officer of Manpower Inc. (the "Company"), hereby certifies that to his knowledge:

- (1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MANPOWER INC.

Dated: August 2, 2006

/s/ Jeffrey A. Joerres

Jeffrey A. Joerres

Chairman, Chief Executive Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of the Securities Exchange Act of 1934.

STATEMENT

Pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. ss. 1350, the undersigned officer of Manpower Inc. (the "Company"), hereby certifies that to his knowledge:

- (1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MANPOWER INC.

Dated: August 2, 2006

/s/ Michael J. Van Handel

Michael J. Van Handel
Executive Vice President,
Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of the Securities Exchange Act of 1934.